

December 1, 2009



TRANSCRIPT

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MONTGOMERY COUNTY COUNCIL

PRESENT

Councilmember Nancy Floreen, President
Councilmember Valerie Ervin, Vice President
Councilmember Phil Andrews Councilmember Roger Berliner
Councilmember Marc Elrich Councilmember Michael Knapp
Councilmember George Leventhal Councilmember Nancy Navarro
Councilmember Duchy Trachtenberg

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1 COUNCIL PRESIDENT ANDREWS:

2 Good morning. Good morning, everybody, and welcome to a session of the County
3 Council. We're glad to see you, and we're going to begin with a moment of silence. Please
4 join me, and let's keep in mind all of our troops who are in harm's way. Thank you. We're
5 now going to have a presentation that is a proclamation in recognition of Joseph A. Monte,
6 the longest-serving guidance counselor in the Montgomery County public school system,
7 and many other things, as well, which you are about to learn about. And I'm going to ask
8 Councilmember Marc Elrich, who, like me, is a graduate of Einstein High School, to join
9 me in the presentation.

10
11 COUNCILMEMBER FLOREEN:

12 Is this your counselor?

13
14 COUNCIL PRESIDENT ANDREWS:

15 Yes.

16
17 COUNCILMEMBER TRACHTENBERG:

18 He was Marc's, too.

19
20 COUNCILMEMBER FLOREEN:

21 Wow.

22
23 COUNCILMEMBER ELRICH:

24 I spent some time down there. That should come as no shock.

25
26 COUNCILMEMBER FLOREEN:

27 You should be proud, indeed.

28
29 COUNCILMEMBER KNAPP:

30 We need one of those here.

31
32 COUNCILMEMBER ELRICH What? Counselor? Guidance counselor? Probably.

33
34 COUNCIL PRESIDENT ANDREWS:

35 I'd like to ask Mr. Monte and Mary Catherine, his wife, and Mr. James Fernandez, the
36 principal of Einstein High School, to join us here at the front. Nice to see you. Well, I'm
37 very, very pleased to be able to help recognize one of the most outstanding people in
38 Montgomery County, a remarkable person. I've known Joe Monte since I was in 10th
39 grade, back in 1975. But Mr. Monte and-- and Councilmember Elrich knew him before
40 then because Councilmember Elrich graduated in 1967 from Einstein High School.

41 COUNCILMEMBER ELRICH:



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1 Gee, thank you. Let's put a year-- 46 years. Let's be real specific about it.

2
3 COUNCIL PRESIDENT ANDREWS:

4 I wasn't going to calculate it, but... but... And I know that there are stories that Mr. Monte
5 could tell, but he probably won't, about Mr. Elrich. I used to stay home on Friday nights
6 and run, you know, 10-yard dashes in the basement to increase my foot speed for tennis.

7
8 COUNCILMEMBER ELRICH:

9 Really?

10
11 COUNCIL PRESIDENT ANDREWS:

12 I did. I did. It might explain why I didn't date much in high school. But Marc Elrich, I don't
13 think, did that and probably lived a more exciting life than I did, at least at that time. But
14 both of us are very grateful, as are thousands-- thousands of other students who had the
15 good fortune to have Mr. Monte as their guidance counselor. And I'm going to read a
16 proclamation on behalf of the County Council to Mr. Monte, and then I'll ask
17 Councilmember Elrich to make a few remarks, and then I'll turn to Mr. Monte, and it gives
18 me great pleasure to read this. "Whereas, Joseph A. Monte has been an integral part of
19 Albert Einstein High School in Kensington since the school opened in '62"-- and I might
20 add, that was the last year that the team was undefeated. It was the first year, but they're
21 getting better, they're doing better, and they started well. "And becoming a guidance
22 counselor in 1964 and going on to become an institution at the school and a legend in his
23 field. And whereas, as a 28-year-old 10th-grade English teacher in room 2A at Gonzaga
24 High School in Washington, DC, in 1960, Joe Monte nurtured and ignited the interest in
25 literature of a particular student-- Pat Conroy, who was challenged by the assignment to
26 read the Faulkner novel "The Sound and the Fury," a fact noted by Pat Conroy in his
27 book, "My Losing Season," in which he wrote, "I wanted to follow Mr. Monte around for the
28 rest of my life, learning everything he wished to share or impart." And whereas, Joseph A.
29 Monte, in his long and illustrious career, has served as president of the National
30 Association for College Admission Counseling, from which he received the Margaret E.
31 Addis Service Award, and as president of the Potomac & Chesapeake Association for
32 College Admissions Counseling. In 2003, Mr. Monte received the Marian Greenblatt
33 Award for Excellence in Teaching-- the first counselor to receive the award; and whereas,
34 Mr. Monte established the College and Career Center at Einstein High School and
35 continues to serve the school in many ways, including as the cofounder of the Albert
36 Einstein High School Hall of Fame; and whereas Joseph A. Monte has guided thousands
37 of students at Einstein gently and skillfully along high schools-- high-school life's
38 zigzagging path and was influential in the lives of 2 members of the County Council--
39 myself and Councilmember Marc Elrich, Class of '67; now, therefore..." Didn't want to
40 leave anything out.



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1 COUNCILMEMBER ELRICH:

2 No, no. No point.

4 COUNCIL PRESIDENT ANDREWS:

5 "Now, therefore, be it resolved that the Montgomery County Council congratulates Joseph
6 A. Monte on his impressive achievements and expresses its lasting thanks for his
7 remarkably dedicated service to students in Montgomery County, and also thanks his wife
8 of more than 46 years, Mary Catherine, for sharing him for so long with a grateful County."
9 Presented this day, December 1, and signed by myself as Council President. Thank you.

11 JOSEPH MONTE:

12 Thank you.

14 COUNCIL PRESIDENT ANDREWS:

15 And I'm going to ask Marc Elrich to make a few remarks.

17 JOSEPH MONTE:

18 Sure.

20 COUNCIL PRESIDENT ANDREWS:

21 You take that.

23 JOSEPH MONTE:

24 All right.

26 COUNCIL PRESIDENT ANDREWS:

27 We'll take a couple of pictures in a bit, but let me ask Councilmember Elrich to make a few
28 comments.

30 COUNCILMEMBER ELRICH:

31 Unlike Phil's frivolous years, when they were listening to disco and they had nothing more
32 important to think about, I went to Einstein during the sixties, and there were any number
33 of things that were going on, the most important, basically, being the war in Vietnam and
34 the Civil Rights movement. And echoes of that certainly rippled through our school at that
35 time, and I was in a generation whose, I think, motto was, "Don't trust anybody over 30."
36 And-- and so what I found in Mr. Monte was a friend and somebody in the administration
37 and the office that I could go talk to-- sometimes voluntarily, sometimes not necessarily
38 voluntarily-- but someone you could talk to and someone who understood and someone
39 who didn't say, you know, "You got to fly the straight and narrow and, you know, do
40 exactly what they say." There was more understanding there than that, and I really
41 appreciated that. I want to say that I was not responsible for the loss of his hair. My

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1 brothers and sisters may have had more responsibility in that than I did. But I really did
2 appreciate what you did when I-- when I was a student, and I think you know you played,
3 you know, a critical role in a lot of our lives among, you know, those of us who were trying
4 to figure out who you could trust and who you could talk to, and it was actually good to
5 have somebody in the school that you could trust and could talk to. So thank you for what
6 you did for me, and thank you for what you did for thousands of other Einstein students.

7
8 JOSEPH MONTE:

9 Thank you, Marc.

10
11 COUNCIL PRESIDENT ANDREWS:

12 We're very glad to have the principal of Einstein High School here, and I'd like to ask Mr.
13 Fernandez if he would like to make a couple of comments.

14
15 JAMES FERNANDEZ:

16 Thank you very much. It is quite an honor to work with Joe, it's quite an experience to
17 work with Joe, and as I've told Joe, when he goes, I go because then I'll be the oldest one
18 in the building, and I don't know if I could handle that. You have no idea, unless you
19 multiply the words that have been already said today, the impact that Joe has on students
20 at Albert Einstein High School. A lot of people think we are a lot needier than we actually
21 are, and we're actually very, very successful, and we're very successful because of people
22 just like Joe, who take their time to work with each kid-- formerly-- individually, take time,
23 pay attention, listen to what they have to say. And our staff is full of people like that, but
24 Joe is our role model and our example, and this tribute is more than deserved. Thank you
25 very much, Joe.

26
27 JOSEPH MONTE:

28 Thank you.

29
30 COUNCIL PRESIDENT ANDREWS:

31 I'm going to ask than man of the hour if he would like to say a few words about-- about his
32 work, his service, and his reflections.

33
34 JOSEPH MONTE:

35 A brief word of introduction. To my left is my wife Mary Catherine, and my daughter Anne
36 is in the audience and my brother and sister-in-law and my fellow counselors and some
37 people from Einstein. Ha ha ha! I belong to a profession of hope that dreams of students
38 reaching their dreams. Phil Andrews and Marc Elrich, I had a dream that you two would
39 become public servants. Phil, you had a clear vision of service to your neighbor from your
40 days at Einstein. I am so proud and thankful for the public service you two are giving. I
41 want to thank you, County Councilmembers, for this proclamation, which I share with all



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1 those unsung heroes who work in the domain of public education. I am a mere
2 representative. I thank my wife Mary Catherine, my principal, Mr. James Fernandez, and
3 all you friends who have come here today. Since 1962, there have been about 13,000
4 graduates of Einstein. My belief in counseling so many students takes form from my own
5 life-- seek the career meant for you, find that lifelong enriching relationship, bond career
6 and family in a system of moral values. Being a counselor 45 years is a dream fulfilled.
7 Being married to Mary Catherine is a bit of heaven. My Catholic faith seals all together.
8 Thank you for this honor.
9

10 COUNCIL PRESIDENT ANDREWS:

11 Thank you again, Mr. Monte, for your incredible service. Well, it's time for me to make
12 some parting remarks as County Council President, and I appreciate that you all are here
13 to listen to them and to attend the Council session. Since our County's and our country's
14 bicentennial 33 years ago, the County's motto has been Gardez Bien. It means "to guard
15 well," and this motto is inscribed on the logo that is behind this dais. It is an ever-present
16 reminder of the primary responsibility of the County Council. It is the Council's
17 responsibility to guard the public interest, whatever that may be, and against whoever
18 might want us to do something different. It is the Council's responsibility to guard well the
19 treasury from unwarranted claims. It's the Council's responsibility to guard well those who
20 need the help of government so they can live a decent life. It's the Council's responsibility
21 to guard well the history of the County. And it's the County's responsibility to guard well
22 the reputation of the County for integrity in government. It is our sacred obligation, as it is
23 of all elected officials, to put the public interest first, for if the decisions of this Council or
24 any legislative body are simply a reflection of the power of temporary powerful interests,
25 the Burkean ideal of representation is lost. And here is what English statesman Edmund
26 Burke said for the ages in a speech to the Electors of Bristol on November 3, 1774. Burke
27 spoke about representation. "Certainly, gentlemen, it ought to be the happiness and glory
28 of a representative to live in the strictest union, the closest correspondence, and the most
29 unreserved communication with his constituents. Their wishes ought to have great weight
30 with him, their opinion high respect, their business unremitted attention. It is his duty to
31 sacrifice his repose, his pleasures, his satisfactions, to theirs; and above all, ever, and in
32 all cases, to prefer their interest to his own. But his unbiased opinion, his mature
33 judgment, his enlightened conscience-- this he ought not to sacrifice to you, to any man,
34 or to any set of men living. These he does not derive from your pleasure; no, nor from the
35 law and constitution. They are a trust from Providence, for the abuse of which he is deeply
36 answerable. Your representative owes you not his industry only, but his judgment; and he
37 betrays, instead of serving you, if he sacrifices it to your opinions." Now, how does Burke's
38 clarion call apply to the County Council? It means that the Council needs to listen to
39 everyone, to consider all interests, and then apply its best judgment to each and every
40 matter that comes before it. Nothing less than this is acceptable; nothing more than that is
41 required. When individuals and groups come to the County Council to ask for funds or ask



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1 for legislation or for a resolution or for a Zoning Text Amendment or for a Master Plan
2 change or for something else, the Council should ask the following questions. Is it in the
3 public interest? Is it affordable? Is it sustainable? Is it the next best use of scarce tax
4 dollars? Is it necessary for the County to fund it? Following this framework is much easier
5 said than done, since constituencies that would have the Council spend tax dollars are
6 almost always better organized than the general public. Most public hearings on the
7 budget are prime examples of this. That's why it is just as important for the Council to
8 think about who is not in the room, who is not at the table, as who is. We have to look out
9 and represent their interests, as well. So who is typically not seated at the table of
10 government? Who do not have lobbyists to represent them? Very few people who are
11 poor testify before the County Council. Very few people who work 2 or 3 jobs so they're
12 not poor testify before the County Council. Very few people with severe disabilities testify
13 before the Council. Very few young people testify before the County Council. Very few
14 new immigrants testify before the Council. And very few people who are primarily
15 concerned about the cost of government testify before the Council. We need to remember
16 all of these people as we make decisions that affect them. So how did the Council
17 measure up by this standard this year? The best place to look is at the budget because
18 the budget reveals the Council's priorities. It is where the Council puts most of its time and
19 most of your tax dollars that you provide to us. The Council protected essential services
20 this year, 100% of the school system's educational request was funded, and the Council
21 provided funding to maintain very strong public safety services. In a most difficult year, the
22 Council enhanced public safety services by opening the Family Justice Center,
23 championed by Councilmember Trachtenberg, and since that center opened in April, the
24 center has served more than a thousand victims of domestic violence. The Council
25 protected safety net services for the most vulnerable, especially important given the
26 impact of this severe recession. The Council protected employees by avoiding layoffs
27 through not funding general wage increases, and we thank our employees for recognizing
28 that that was necessary to do this year-- and we know it was a sacrifice. And the Council
29 protected taxpayers squeezed by the recession by adhering to the Charter Limit on
30 property tax revenues and by not raising tax rates. Another place to look at how the
31 Council measured up is at transportation. Recognizing that traffic congestion is a serious
32 problem that affects more people in this County than any other single problem, the
33 Council made landmark and unanimous recommendations to the state. We voted to build
34 the Purple Line, to recommend to the state they build the Purple Line, that they build the
35 Corridor Cities Transitway, and widen I-270 by adding 2 reversible lanes. Now we need to
36 work closely with our state and federal representatives to get the funding to build these
37 projects as soon as possible. And I see Senator Forehand here today. Welcome. The
38 Council also approved funding for a planning effort for Councilmember Elrich's visionary
39 proposal for a 100-mile-plus system of bus rapid transit lanes-- a very exciting and
40 innovative proposal. In addition, under the leadership of Councilmember Floreen, the
41 Council found a way to restore funding for 18 bus routes that were proposed for



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1 elimination this spring. Another place to look at how the Council measured up is at
2 government reform. The Council took a major first step in reforming the disability
3 retirement review process. The system still needs to have a 2-tier disability benefit
4 structure, however. The Council passed a law sponsored by Council Vice President
5 Berliner requiring the posting online of expenditures of \$25,000 or more to help
6 constituents see where their money is being spent. The Council approved legislation
7 sponsored by Councilmember Ervin to strengthen the Inspector General's office by
8 enabling the Inspector General to hire counsel. The Council approved a law to require that
9 legislation be limited to a single subject, to avoid the potential problem of unregulated-- or
10 unrelated provisions being amended onto meritorious legislation to get the unrelated
11 measures passed. The Council called for the suspension and reform of the County's
12 Tuition Assistance Program. The program was suspended, and reform is underway. So in
13 a very difficult year, the Council got a lot done. A few other Council initiatives deserve
14 mention, as well. To improve pedestrian and vehicular safety, the Council approved
15 Councilmember Knapp's bill to prevent large trucks and recreational vehicles from being
16 parked on residential streets. And to improve public health by addressing the serious
17 problem of obesity, the Council approved Councilmember Leventhal's initiative to require
18 menu labeling of calorie content at restaurants. And to invest in the future of our County,
19 for all those who will follow us, the Council approved a proposal by Councilmember
20 Navarro to add 53 acres of parkland to the Fairland Recreational Park. It was a difficult
21 year, but the Council got a lot done. All of us are fortunate to live in a great County, a
22 County with remarkable diversity, excellent public services, beautiful natural places, and a
23 highly educated workforce. As we navigate the deepening fiscal storm with County
24 Executive Leggett, we should remain fundamentally optimistic because the County is well
25 positioned, for many reasons, to thrive economically in the future. The challenge we face
26 now, though, is how best to spend less. To address the significant decline in tax revenues
27 that are already affecting the County, and because tax revenues are not likely to grow at
28 the rate that they did in the earlier part of this decade for some time, the County must get
29 leaner and sharpen its focus on where it spends its tax dollars. That process began this
30 year, but clearly will need to intensify next year to address the projected budget gap of
31 \$600 million, which includes a shortfall this year. I look forward to working with our next
32 Council President and all of my colleagues to work with our state representatives to
33 ensure that Montgomery County is fairly treated in Annapolis as the state grapples with its
34 own 2 billion-plus projected shortfall for FY11. And I would be remiss if I did not mention
35 that the County lost 4 extraordinarily able public servants this year. In January, we very
36 unexpectedly lost our colleague Don Praisner. This was a double blow, coming after the
37 death of our colleague Marilyn Praisner just a year before, and everyone at the Council,
38 including staff, pitched in to help and look out for District 4. Don's staff soldiered on
39 magnificently, and Council Vice President Roger Berliner joined me in serving on a third
40 Council committee during this very intense 4-month budget period when there was no
41 District 4 Councilmember. It was a pleasure to welcome then newly elected



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1 Councilmember Nancy Navarro in June to the Council, who all of us enjoy serving with. In
2 April, the County lost a great civic leader, Wayne Goldstein, who graced the Council
3 chamber frequently with his presence and his hats. I was privileged to represent the
4 Council at the dedication of the Wayne Goldstein playground at Kensington Heights Park
5 last month. In June, the County lost remarkable public servant Blair Ewing, who served 22
6 years on the Board of Education and 4 years on this body, including as Council president.
7 Blair is very much missed. And last month, the County lost Jean Cryor, a member of the
8 Planning Board, former member of the House of Delegates-- a remarkably engaging
9 person. Rest in peace, Don Praisner, Wayne Goldstein, Blair Ewing, and Jean Cryor. Let
10 me conclude with thanks. First, I want to thank my family for enduring a long year. My
11 wife, as Councilmember Knapp and Councilmember Leventhal, who served as Council
12 President, as well, know, there are many, many events that Council President attends on
13 behalf of the Council and that put some pressure on family life, and I know I'm looking
14 forward to seeing them a lot more. And I want to thank my mom and dad, who are here
15 today, in the center there, for all of the guidance they have given me over the years, and I--
16 - I so appreciate it. Thank you for being here. I want to thank my staff-- Lisa Mandel-
17 Trupp, Jackie Hawksford, Dave Hondowicz, John Smith, and Maria Peck-- for their great
18 service to me. All of them have been with me since day one. Jackie Hawksford came in to
19 help this year and has been tremendous in my office. And I want to especially note the
20 work that was done by Lisa Mandel-Trupp, my chief of staff. I believe it's more difficult to
21 be a chief of staff to a Council president than to be the Council President, and Lisa did a
22 terrific job this year in helping to keep things-- Lisa is over there on the right. Please raise
23 your hand, Lisa. Great job. I want to thank all of the Council staff, many of whom are here
24 today, for the terrific work they do day to day to make this a great County and to help the
25 Council make good decisions. We have the best staff in the country, in my view, and I am
26 so grateful for the help of all of the tremendous staff in this-- in this office and in this
27 building. But I also want to thank County Executive Leggett and his staff for all the good
28 work they've done. It's been a very close working relationship, and I can tell you, no one
29 works harder than the County Executive. The County is very fortunate to have such a
30 dedicated and able public servant as County Executive Ike Leggett. I also want to thank
31 the employees of the County and of the school system and of the Housing Opportunities
32 Commission and of Park and Planning and all the other County-funded entities for
33 forgoing cost-of-living increases, but more than that, for doing a great job every day and
34 doing more with less. This budget and this recession and the increased workload is
35 putting a lot of pressure on employees, and we recognize that, and I want to know that-- I
36 want employees to know that all of the Councilmembers appreciate it. Finally, I want to
37 thank my colleagues. In a difficult year, we pulled together well, and in one direction, at
38 least the great majority of the time. And we got a lot done for the people of Montgomery
39 County. That's our mission, and I enjoyed each-- working with each of you to
40 accomplishment-- to accomplish it, and I want to especially thank Council Vice President
41 Roger Berliner, whose wise counsel I very much value throughout the year. Roger was an

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1 integral part of the work of this Council, and I very much value the advice that he gave me
2 on all kinds of matters throughout the year. So thank you, Roger. And finally, I say thanks
3 to my colleagues for giving me the opportunity to serve as Council President this year. It
4 was a pleasure and an honor, and I continue to look forward to working with you, and my
5 final words to would be, let us all continue to guard well. That is what we are here to do.
6 Thank you. Let's see. I'm going to call on a number of my colleagues. Council Vice
7 President Berliner.

8
9 COUNCIL VICE PRESIDENT BERLINER:

10 It is a particular pleasure that my last official act as Vice President is to pay tribute to our
11 colleague Phil Andrews for the exemplary manner in which he has led our Council for the
12 past year as President. And while we do have our disagreements on this body, on this
13 matter, we are very much united. Phil, on behalf of all of my colleagues, we thank you.
14 And while you have led us to achieve significant accomplishments for our County-- and
15 you have listed so many of them-- it is your unfailing good manners, your attentiveness,
16 your preparedness, your evenhandedness, and your representation of our Council
17 throughout the community, night after night, that has brought such honor to our institution.
18 We are very grateful. I would-- be prepared to give you our traditional gavel, but before
19 doing so, I did want to turn to my colleagues and see if others care to say anything at this
20 moment.

21
22 COUNCILMEMBER KNAPP:

23 Thank you, Mr. Vice President. I just wanted to thank Phil for his service. He alluded to
24 some of the challenges that we faced with the passing of 2 of our colleagues over the last
25 2 years, and he referenced the fact that he got to serve on 3 committees this past spring,
26 but he got to do the same thing the previous spring, so over the last-- almost nearly a year
27 and the last 2 years, the Council President has had to serve on 3 committees, doing-- in
28 addition to the duties of Council President-- a lot of additional work, and so I just wanted to
29 thank you for that because that's the kind of stuff that goes pretty well unseen, and I know
30 the amount of time that you committed to doing that. And I appreciate your service, I
31 appreciate the dignity and respect with which you've served, but I appreciate very much
32 the additional work that you've had to shoulder above and beyond what typically a Council
33 President would have to do. So thank you very much.

34
35 COUNCIL PRESIDENT ANDREWS:

36 Thank you. Let's see. Nancy.

37
38 COUNCIL VICE PRESIDENT BERLINER:

39 Nancy.

40
41 COUNCILMEMBER FLOREEN:

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1 Thank you. Phil, I think you've done a fabulous job. I think you've offered us tremendously
2 calm and very steady leadership. I have to say, this was a tough budget year, but it was
3 not tough on the sixth floor. You brought us-- it was the easiest one in terms of working
4 through very difficult challenges. Mike has a sign outside his office door, and it seems kind
5 of hokey. It says, "Niceness counts." But it does. And that's-- you have been tremendously
6 nice, you have been kind, you have respected our volunteer community, you've respected
7 the community of engagement on so many issues. You've expanded our public hearing
8 process-- a little hard on us sometimes, but it's really engaged the community in a very
9 positive way, and that says volumes about your commitment to Montgomery County and
10 your commitment to community leadership. And so for that, I thank you.

11
12 COUNCIL PRESIDENT ANDREWS:

13 Thank you. Thank you again, Nancy.

14
15 COUNCIL VICE PRESIDENT BERLINER:

16 Miss Navarro.

17
18 COUNCILMEMBER NAVARRO:

19 Thank you. Phil, I had the pleasure of working and interacting with you when I was a
20 member of the Board of Education and then president, and one thing that I always used to
21 comment with others was how much respect I had for you because you are somebody
22 who is always focused on the policy and the importance of always making sure that the
23 interests of our residents are held first, and you always put that in front of any politics. And
24 so I always appreciated your straightforwardness and your way of very calming-- in a
25 calming way just explaining what your position is, and never really going after anybody for
26 disagreeing, but standing firm. And then you welcomed me to the Council, and you were
27 really wonderful in helping me navigate my, you know, first weeks, et cetera. And now that
28 I have worked with you closer, I really have even more admiration and respect for your
29 style of leadership, and the word that comes to mind is statesman. So I look forward to
30 continuing to work with you and maybe learning a few lessons from watching you. Thank
31 you.

32
33 COUNCIL PRESIDENT ANDREWS:

34 Thank you.

35
36 COUNCIL VICE PRESIDENT BERLINER:

37 Mr. Elrich.

38
39 COUNCILMEMBER ELRICH:

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1 I wanted to thank you, Phil, for what you did over the last year-- and you as well, Roger. I
2 think that it was a very difficult year, and it doesn't promise to give any easier. I think we
3 could say about Phil that Phil is getting out while the getting is good.

4
5 COUNCIL PRESIDENT ANDREWS:

6 Ha ha! Who would have known?

7
8 COUNCILMEMBER ELRICH:

9 And, you know, and perhaps that given what we're facing in the way of economic news,
10 that the office of the next President ought to come with a black-hooded robe and a sickle,
11 like the death figure in the-- what is it, the Ingmar Bergman movie "The Seventh Seal"--
12 that was always there. Because when you go out and speak publicly, there's not going to
13 be much happy news to give or, you know, I think upbeat direction. We face some real
14 serious challenges, and I think--

15
16 COUNCIL PRESIDENT ANDREWS:

17 Proclamations. Take proclamations with you.

18
19 COUNCILMEMBER ELRICH:

20 Take proclamations with you.

21
22 COUNCILMEMBER TRACHTENBERG:

23 Or food.

24
25 COUNCILMEMBER ELRICH:

26 Both. I think you did a really outstanding job, and I think what Nancy focused on is really
27 true. I mean, you are the ultimate straight shooter, and I know people who disagree with
28 you vehemently about some things, but what they'll say is you always know where Phil is,
29 you know what he's going to say, and it's not-- you know, he doesn't disguise it, and it
30 doesn't change, and he has reasons for what he's doing, and I think that's a lot to be said
31 about somebody. I think it's a good thing to have a reputation as somebody you can count
32 on to say what you think and be straightforward about it. So I really appreciate your
33 leadership over the last year, and I look forward to working with you this year.

34
35 COUNCIL PRESIDENT ANDREWS:

36 Thank you.

37
38 COUNCIL VICE PRESIDENT BERLINER:

39 Mr. Leventhal.

40
41 COUNCILMEMBER LEVENTHAL:

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1 Phil, I agree with everything that has been said, and there's much that can be said to
2 praise you. I just want to highlight one thing in particular that I've really appreciated, and
3 it's a lesson for all of us, and that is when the Council President says something really
4 well, the rest of us don't have to say anything. And I really think that you've helped to instill
5 some discipline in this body, especially at public hearings, because you've been able to
6 speak for the body, and we were able to feel comfortable that what needed to be said had
7 been said, and therefore we didn't all have to say it, too. And one of the things I most
8 appreciate about my friend and colleague Roger Berliner are these little cards that he
9 distributed early in our term together. Nobody can read it. It's in very small letters. It says,
10 "Stop talking." And I'll-- I'll do that right now.

11
12 COUNCIL PRESIDENT ANDREWS:

13 Wow. Thank you, George.

14
15 COUNCIL VICE PRESIDENT BERLINER:

16 Miss Trachtenberg.

17
18 COUNCILMEMBER TRACHTENBERG:

19 Thank you, Vice President Berliner. Well, I want to thank Phil for his leadership, as well.
20 Last year, about this time, I had the pleasure of nominating you, and as I extolled your
21 virtues, one thing I pointed to was the fact that as someone who was about poised to take
22 the mantle of leadership, that you understood that working across the body, reaching out
23 to everyone who serves on this Council, and making sure that each of us had
24 opportunities in which to shine-- that that was an integral part of the success of this body
25 and really, quite frankly, an effectiveness for those that we serve. And the long list that
26 was produced yesterday by your office of Council accomplishments for this last year,
27 during which you served as President, is true confirmation of that principle-- your
28 willingness to include everyone in the conversation, but more importantly, your willingness
29 to support all of us. So I am grateful for that, I thank you for your leadership, and I look
30 forward to continuing to serve with you here on the Council.

31
32 COUNCIL PRESIDENT ANDREWS:

33 Thank you.

34
35 COUNCIL VICE PRESIDENT BERLINER:

36 Miss Ervin.

37
38 COUNCILMEMBER ERVIN:

39 At this time, everything that needs to be said has already been said, but I will say this to
40 you, Phil. You remind me a lot of my father, who served 30 years in the Air Force, and one
41 of the things I learned from him was to always be on time. There were times when we

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1 would turn on the television upstairs, and we were supposed to have been at the dais--
2 Phil would start without us. And it was really a good lesson for all of us to learn in terms of
3 how to be disciplined about this work that we're doing. If there's anybody that showed me--
4 - I'm speaking on behalf of myself right now-- what true discipline in this work as being a
5 public servant, it's watching Phil, who is so disciplined-- always on time, always did his
6 homework, always had something kind to say to everyone. And so, yes, there are going to
7 be difficult days ahead, but I think that we have some very, very strong leaders here at
8 this dais, and Phil rises to the top of that list, in my book. So I want to thank you, Phil. And
9 the other thing people might not know about Phil-- he was everywhere. We get this little
10 piece of paper once a week that shows what kind of events are happening around the
11 County. This is a big County. It's 500 square miles. Phil was everywhere on behalf of this
12 Council, and he always led all of us, I think, with such grace, and I want to thank you for
13 that, and I look forward to working with you.

14
15 COUNCIL PRESIDENT ANDREWS:

16 Thank you, Valerie.

17
18 COUNCIL VICE PRESIDENT BERLINER:

19 You think that's enough? It's almost enough, but before I hand you the traditional gavel, I
20 think it appropriate to follow up on remarks that you had made with respect to your chief of
21 staff. Lisa, if you would come up, because quite frankly, without your good spirit and
22 without your good humor, he couldn't have done his job, and we could not have done our
23 job.

24
25 COUNCIL PRESIDENT ANDREWS:

26 That's true.

27
28 COUNCIL VICE PRESIDENT BERLINER:

29 And I'd like my own chief of staff to give you just a token gift from us to you to thank you
30 so much for everything you have done this year. Now that we've got the standing ovation
31 out of the way, we can give you-- really, Phil, you were superb in every way, as all my
32 colleagues have said. Thank you.

33
34 COUNCIL PRESIDENT ANDREWS:

35 Thank you, Roger. Thank you.

36
37 COUNCILMEMBER FLOREEN:

38 Standing ovation.

39
40 COUNCIL VICE PRESIDENT BERLINER:

41 Yeah. That's right. Let's do it again.

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1
2 COUNCIL PRESIDENT ANDREWS:

3 There you go. Thank you, everybody. Now I have something for you.

4
5 COUNCILMEMBER KNAPP:

6 Everybody gets presents?

7
8 COUNCIL PRESIDENT ANDREWS:

9 All right. Now, I've talked about how tough next year is going to be, and we all know it's
10 true, so to help you get through next year, I have a little something for each of you, and I
11 hope that you will keep it on your desk, because it is a day calendar, and look at it
12 occasionally. Now, I'm going to start to my left with Miss Navarro, who has two teenagers-
13 - or they're close to being teenagers, if they're not both. And I don't think Miss Navarro is
14 going to get out to see any movies this year, so I'm going to give her a-- Leonard Maltin's
15 "Must-See Movies 2010," so she can rent some good DVDs.

16
17 COUNCILMEMBER FLOREEN:

18 All right!

19
20 COUNCIL PRESIDENT ANDREWS:

21 Councilmember Elrich, closest thing we have on the Council to Jimmy Buffett, and been
22 known to frequent a few tropical isles on vacation, but he's not going to see any of those
23 next year because it's an election year. So for Marc Elrich, a tropical paradise desk
24 calendar. You can see what you're missing. Councilmember Trachtenberg has a lot of
25 Irish blood in her, but she's not going to get to Ireland next year for the same reason, so
26 I'm going to-- I have a little calendar for Councilmember Trachtenberg so she can look at
27 pretty pictures of Ireland. Councilmember Floreen has been known to like a good glass of
28 wine every now and then, and... and so a-- this is a calendar about wine lovers and guides
29 to great wine. I think this could come in handy. I would have been surprised if you told me
30 before I came on the Council, but Council Vice President Roger Berliner is an avid
31 fisherman. He also plays tennis. He's really a jock. He was a basketball player in high
32 school. So this a calendar-- this is Ken Schmidt's "Daily Fishing Tips" so you can catch the
33 really big one. Councilmember Knapp, as everyone knows, represents the upcounty,
34 which includes the Ag Reserve, and he goes to lots of town meetings with his "Open Mike"
35 discussions, so I thought, to answer some of those questions from farmers, the Farmer's
36 Almanac "Everyday Calendar for 2010" could only be helpful.

37
38 COUNCILMEMBER KNAPP:

39 Thank you.

40
41 COUNCIL PRESIDENT ANDREWS:



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1 Now, when I think of golf, I think of Valerie Ervin. I can't drive by a golf course without
2 thinking of-- especially the Sligo one. So-- so this is the "Worst-Case Scenario 2010 Daily
3 Survival Tips for Golf." And finally, some of you know that Councilmember Leventhal was
4 a star on "It's Academic" in high school, and just to keep, you know, that gray matter
5 sharp, this is a "Jeopardy!" calendar-- day-by-day question-- you know, just for a little
6 change of pace from the Council packet. OK? So, my thanks to all my colleagues, and I
7 really look forward to working with you as we tackle the challenges next year and later
8 today. So with that, I'm going to begin my last, final act as Council President, and that is to
9 conduct the election for the next Council President. And I will ask for nominations, and I
10 see a couple of lights on, and I will go to-- I see Councilmember Elrich has his light on, so
11 I will turn to him, and then Councilmember Ervin is next.

12
13 COUNCILMEMBER ELRICH:

14 I'm happy to nominate my colleague and friend Roger Berliner for the office of Council
15 President. I've had the pleasure of working with Roger for 3 years now, and I see Roger
16 as the best possible candidate in the worst possible year. Roger brings to this office, I
17 think, a commitment to work with all of the Councilmembers and to further communication
18 and cooperation among all of the Councilmembers, which I think is going to be critical as
19 we face what is sure to be a daunting fiscal challenge. Hard times often lead to enormous
20 amounts of stress, and I think Roger is one of the most unflappable and calmest people
21 that I've had the pleasure of working with, and I think that that is a quality and a skill that
22 will be really needed in the next Council. We need leadership without regard to factions or
23 groups, and what I've seen in Roger is that his words and deeds qualify him for that role.
24 From the beginning, his M.O. has been to strive to bring people together, and I'm
25 confident that if he is our Council President, he'll bring us the leadership we need so we
26 do all come together. It has long been the Council precedent that previous year's Vice
27 President succeed to be President, and I see no reason not to continue that tradition--
28 certainly no reason has been offered why we should not. 3 years ago, I supported Mike
29 Knapp to be Vice President, and 2 years ago, I supported him for President. I didn't do
30 that because Mike was a member of a faction. I did it regardless of political differences
31 because I recognized that he was both capable and qualified for the job. More importantly,
32 I think I and my colleagues recognized it was more important to move beyond
33 factionalism, particularly as the challenges we faced deepened, and I think the Council
34 was well served by that decision. And in the same spirit, I nominate Roger, not because
35 he's a member of a faction-- and I think realistically, what do factions mean when 90% of
36 the votes on this Council are unanimous, and when they aren't unanimous, you'd be hard
37 put to figure how the 5-member majority or 6-member majority ever got put together out of
38 the factions which were more fluid than real. I think Roger is a person we can trust-- that
39 we can trust him to work with all of us-- and that he will put the good of the County above
40 all else, and that, in these difficult times, is what I think we need from a President, and
41 with that, I'm happy to put his name in nomination.



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1
2 COUNCIL PRESIDENT ANDREWS:

3 OK. Thank you, Councilmember Elrich. Councilmember Ervin's light was on for the
4 previous comments, so before I call on Councilmember Knapp, just let me recognize that
5 Joan Kleinman is here from Council-- Congressman Van Hollen's office. Nice to see you.
6 And we have the mayor of Kensington, Pete Fosselman, here, as well. And there may be
7 other elected officials. I'll keep an eye out for them as I look around. But Councilmember
8 Knapp is next.
9

10 COUNCILMEMBER KNAPP:

11 Thank you, Mr. President. I would like to nominate Councilmember Floreen to serve as
12 the Council President. It has been my pleasure, over the last 7 years, to have served with
13 Nancy in a-- in a variety of roles. Nancy has served this County for the better part of the
14 last 30 years, serving as Mayor of Garrett Park, serving 2 terms on the Planning Board,
15 serving 7 years on the County Council, and being just an all-around civic activist when she
16 wasn't actually elected to something. I was-- I have always been impressed with Nancy's
17 focus in that when you get to this side of the dais, there are lots and lots of issues, there
18 are lots of things that can distract, lots of things that can deter, and Nancy was elected--
19 her interests were in transportation, her interests were in planning, her interests were in
20 economic development. She became the chair of the Transportation & Environment Infra--
21 Energy & Infrastructure--
22

23 COUNCILMEMBER FLOREEN:

24 Infrastructure, Energy & Environment.

25 COUNCILMEMBER KNAPP:

26 There we go. That one. Because she knew that that was a place where she could make
27 the most difference as it related to transportation. She's been dogged in her pursuits of
28 that as a goal. She is currently serving as the vice chair for Transit of the National
29 Association of Counties Transportation Steering Committee. She has served on COG in
30 various transportation capacities. She has served at-- in our state to advocate at the state
31 legislature, she has served to advocate the federal government to make sure that people
32 understand the needs of transportation in Montgomery County and the needs of
33 transportation more broadly. Nancy also recognized the importance of making sure that
34 what we're doing is sustainable and focusing on the environment, and she is-- as I was
35 chair of the Council of Governments, she served as the chair of the Metropolitan
36 Washington Council of Government's Climate Change Steering Committee, which tried to
37 make sure that we as a region have a set of priorities and principles that will guide us
38 moving into the future. She has focused very broadly on these issues that she knows are
39 important and these issues that she knows are critical to our County, but she also takes
40 time to look at those other things. A woman who has raised her family, has held a career,
41 she also understood the importance of making sure that-- how do we have-- make sure



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1 that we set the path for those who are coming behind us? And so she chaired the Girls in
2 Technology Task Force a few years ago to make sure that girls who are growing up in this
3 environment are prepared to be leaders going into the future. In addition to that, she
4 focuses on her efforts on the Jewish Council on Aging, Habitat for Humanity, and
5 Strathmore Hall Foundation to make sure that we're looking at not just transportation and
6 planning, but we're also looking at the quality of life for our residents. Nancy has been
7 committed to this community for a long time, and the leadership that she brings and the
8 focus that she has, I think, will serve us very, very well in the year to come, given the
9 challenges that we will face. And so with that, it's my pleasure to nominate Nancy Floreen
10 for Council President.

11
12 COUNCIL PRESIDENT ANDREWS:

13 OK. Thank you very much, Councilmember Knapp. Are there any other nominations for
14 Council President? Seeing none, the nominations are closed, and I'll call on
15 Councilmembers who would like to make any comments. Councilmember Trachtenberg.

16
17 COUNCILMEMBER TRACHTENBERG:

18 Thank you, President Andrews. I'm offering this morning public support for my friend and
19 colleague Vice President Berliner for the presidency of the Montgomery County Council.
20 Councilmember Berliner has represented District 1-- my hometown-- with distinction and
21 character. He has been gracious, collegial, and productive in all his endeavors here at the
22 Council. Council Vice President Berliner has earned his place as an officer on this dais,
23 and he should be afforded the opportunity to serve as our Council President. Several
24 weeks back, when interviewed by the media, I stated that it was my belief that the Council
25 would come together during this election process. I had truly hoped that we would,
26 embracing the institution and respecting the urgency of the people's business. Sadly, I
27 was mistaken because I believe that political ambition apparently has replaced the
28 fundamental civility and congenial dialogue that were always hallmarks of this County
29 Council for 40 years. Instead, some decisions, apparently today, that will be made, will
30 forever change the manner in which the people's business is addressed at a time when
31 the public has a right to expect responsible and responsive leadership in an
32 unprecedented time of fiscal peril. Apparently, there are some that are more concerned at
33 unelecting certain other colleagues. I am so, so disappointed with those who think that a
34 Council seat or a leadership slot is designed for political punishment of political opponents
35 rather than constructive and effective representation of the public at large. There are very
36 important implications of today's potential rejection of a 40-year tradition of electing a
37 sitting Vice President as the new Council President the first Tuesday in December. First
38 off, the abuse of this process will undoubtedly convince the voters in this County to start
39 electing the Council President every 4 years in a general election. Why leave it in the
40 hands of squabbling Councilmembers who will flap in the winds of political expediency?
41 Secondly, having access to raw political power is not equal to exercising real leadership.

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1 Just because you can do something doesn't mean you should. We are at a serious
2 moment in the history of this Council that has been served by many giants-- Norman
3 Christeller, Ida Mae Garrott, Sid Kramer, Neal Potter, Esther Gelman, Ike Leggett, and
4 Marilyn Praisner among them. I recall quite vividly the care and thoughtfulness that went
5 into Council President Praisner's decisions about the committees here at the Council and
6 key leadership roles right at the beginning of this present term. Marilyn, in a 5-4 Council
7 configuration, after an electoral battle centered on growth and development, could have
8 easily played the power cards handed her with the new majority. Instead, she exercised
9 leadership with a firm but fair hand. She chose to unify this Council by making sure that
10 each Councilmember had opportunities to shine, no matter their political or policy stripes.
11 In fact, I recall the effort that she put into the selection of the Vice President, offering the
12 opportunity not to a political ally but rather to a colleague with very divergent views from
13 her own. I often refer to the large stack of papers, articles, and hand-written notes that
14 Marilyn left to me the night before her surgery. I rarely share these treasures, as I've
15 saved them for special times. They are used sparingly and in moments of crisis. Over the
16 weekend, I read one more time the following words inscribed on page 11 of Marilyn's
17 testament. "Don't give in to petty and cruel politics. Keep smiling, and don't forget why you
18 came to the Council office building." That has kept me going through today and will keep
19 me going tomorrow, as well. I will reach deep into my soul to continue my work on behalf
20 of the people of Montgomery County. And, Mr. Vice President-- Roger-- I know you will,
21 too. I am pleased and proud to support your nomination this morning.

22
23 COUNCIL PRESIDENT ANDREWS:

24 OK. Thank you, Councilmember Trachtenberg. And I'll make a brief comment, and then
25 we'll vote on the nominations. I believe that every member of this body has the potential
26 and could serve well as Council President. I'm going to vote for my colleague, Council
27 Vice President Berliner. He has served very ably as Council Vice President, as I described
28 a little earlier. He is very well-positioned to take the Council through a very difficult year,
29 and I believe that it would be better for the Council to follow the precedent that has
30 followed over the years, barring an extraordinary reason not to, which I do not see present
31 at all in this case. So my vote is a vote for, not a vote against, and I would just say that.
32 With that, we are ready to vote on the nominations. All those-- we'll take in the order they
33 were nominated. All those in favor of Council Vice President Roger Berliner to serve as
34 Council President, please raise your hand. And that this Councilmember Elrich,
35 Councilmember Trachtenberg, myself, and Council Vice President Berliner. All those in
36 favor of Councilmember Floreen to serve as Council President, please raise your hands.
37 That is Councilmember Navarro, Councilmember Floreen, Councilmember Knapp,
38 Councilmember Ervin, and Councilmember Leventhal. Councilmember Floreen is elected
39 Council President. Congratulations.

40
41 COUNCIL PRESIDENT FLOREEN:



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1 Thank you.

2
3 COUNCILMEMBER ANDREWS:

4 And now, Councilmember Floreen will chair the--

5
6 COUNCIL PRESIDENT FLOREEN:

7 According to the script.

8
9 COUNCILMEMBER ANDREWS:

10 Yes. You're now the chair. I don't think we have to-- we don't have to change seats yet. I
11 think we-- you conduct the next item on the agenda.

12
13 COUNCIL PRESIDENT FLOREEN:

14 The next item on the agenda--

15
16 COUNCIL VICE PRESIDENT BERLINER:

17 Madam Chair. Madam Chair, if I could, before we get to the nominations for Vice
18 President.

19
20 COUNCIL PRESIDENT FLOREEN:

21 Of course.

22 COUNCIL VICE PRESIDENT BERLINER:

23 Thank you, sir-- ma'am. Thank you, Madam Chair-- President. My colleagues, the majority
24 has spoken, and majority rules, but regrettably, not always wisely. And I do believe that
25 abandoning a 50-year tradition that has served us well is most unwise. I am not alone in
26 thinking this way. Our Council has received strong protests from homeowner associations,
27 Democratic precinct chairs, and scores of individuals from throughout the County urging
28 my colleagues to set aside their individual grievances for the larger common good. And
29 the "Washington Post" and the "Gazette" have both expressed their strong views that the
30 majority has taken us into dangerous waters where might is right. That has not been
31 Montgomery County's way. We take understandable pride in a different kind of politics
32 here-- not this kind. This is bad politics and even worse governance. I certainly appreciate
33 that our first 3 years have been marked by unprecedented tragedies-- first Marilyn's death,
34 from which we never recovered, then her husband's, and with Councilmember Navarro's
35 election, it is said-- and this vote appears to confirm-- that there is a new majority.
36 Elections matter, I am told, and I agree, but the election that matters in this context is not
37 the special election of my colleague, but rather the earlier election when we elected a Vice
38 President. It is that election that had always determined our Council presidency. Today's
39 vote was always a formality. Abandoning that tradition and effectively overturning that
40 unanimous decision destabilizes and further politicizes this institution we serve and does a
41 disservice to our County. Moreover, it is not as though the new majority is without ample



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1 means to demonstrate that elections matter, whether on how and where we grow or other
2 issues. Legislation requires 5 votes. They have 5 five votes. They have the power.
3 Already 4 of the 5 members hold powerful committee chairmanships. That's power. And
4 today, they could have used their power to elect a Vice President that more closely
5 reflects their point of view, someone who would become Council President in the first year
6 of a new term. That's power. But apparently, that is not enough power, and that's where I
7 believe the majority errs. It should have been enough. A number of my colleagues have
8 expressed their unhappiness with me for standing up in defense of the tradition that has
9 served us so well. I do not apologize for it. I did not seek this debate. I did not want this
10 division. I have a deep and abiding commitment to finding common ground, which my
11 record on this Council reflects. But this is wrong. And I have a fundamentally different view
12 from those of my colleagues who have suggested abandoning a 50-year practice that
13 determines the leadership of our Council is a private matter. It is most assuredly not a
14 private matter. It is by definition a very public issue. And if the light cast by the public
15 nature of this debate has not been flattering, please do not blame the messengers. And
16 one message that has come through loud and clear is that this is an issue that many of
17 my constituents in District 1 feel strongly about. They have never had a Council President
18 since districts were first created more than 20 years ago. This was their turn, too. So I am
19 not sorry-- I am not sorry for standing my ground and fighting for what so many perceive
20 to be the long-term welfare of our institution or simple fairness for my constituents. This
21 clearly is not an auspicious beginning to what is going to be a very difficult year. Going
22 forward, my commitment is the same as it has always been-- to represent the good people
23 of District 1 and all of our County to the best of my ability, to fight hard for a sustainable
24 future for all of us, and to work in good spirit to find common ground. I thank my
25 colleagues and the many residents of our County who hoped for a different outcome.
26 Thank you.

27
28 COUNCIL PRESIDENT FLOREEN:

29 OK. The floor is now open for nominations for Vice President. Miss Navarro.

30
31 COUNCILMEMBER NAVARRO:

32 I would like to nominate Councilmember Ervin. As the Councilmember for District 5, she
33 has proven to be a leader for our times. She's always willing to listen, and she's never
34 afraid of speaking the truth. You can count on her to be prepared to tackle the most
35 difficult issues while seeking consensus in compromise. She's someone who understands
36 the need to aggressively promote economic development in our County while keeping in
37 mind the plight of those who are struggling to make ends meet. She's authentic in her
38 desire to serve, and her track record speaks for itself. There is no doubt in my mind that
39 she will continue to serve this Council and the residents of Montgomery County extremely
40 well in the coming year and beyond.
41

Thank you, Mr. Leventhal.

I'd like to second the nomination of Valerie Ervin as Council Vice President. She is extraordinarily well qualified to assume a leadership position. She had been a community activist and leader in her local PTA, a committed mother who sought to improve the education of her own children and of all children and came to my attention, and I recruited her and hired her to be my chief of staff, in which capacity she served almost 4 years, including during my service as Council President. And then, during that period of time, she was elected to the Board of Education and then was really drafted by the community. She was so well liked that she was overwhelmingly elected in 2006 as a Councilmember in her own right. She has a broad background in many community activities, especially education, but also, of course, in the labor movement, where she worked as a union organizer and as an administrator at the National Labor College. So she brings a broad perspective, and I look forward to working with all of my colleagues under our new President. Congratulations, President Nancy Floreen.



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1 COUNCIL PRESIDENT FLOREEN:

2 Thank you.

3
4 COUNCILMEMBER LEVENTHAL:

5 Look forward to working with you and honored to support my good friend and colleague,
6 Valerie Ervin, for Vice President.

7
8 COUNCIL PRESIDENT FLOREEN:

9 Thank you, Mr. Leventhal. Are there any other nominations? Well, then, the nominations
10 are closed. Call for the vote. All in favor of nominating Councilmember Valerie Ervin as
11 Vice President of the Montgomery County Council-- show of hands. Unanimous.
12 Excellent. That's a good beginning. Thank you very much. Now, according to the very
13 handy list of-- of order here, I'd like to make a few comments. First of all, I want to thank
14 my colleagues for their support today. I'm gratified and humbled by this election. I'm joined
15 by my husband of 35 years, David Stewart, and our daughter Rebecca. Raise your hand,
16 Rebecca. Our sons, Matt and Colin, can't be here today, but I know they're supporting me
17 from their homes in San Francisco. They should be up by now. I'm also joined by my
18 absolutely incomparable staff-- Judy Jablow, Jed Millard, Jocelyn Rawat, and Rebecca
19 Lord. Thank you, guys. You are the best. I want to congratulate Councilmember Valerie
20 Ervin as she assumes the role of Vice President-- a role that Councilmember Roger
21 Berliner performed so conscientiously this past year. And I do thank Roger for his
22 dedicated work. I really look forward to working with Val, with her vast knowledge of
23 education, and her commitment to working families will be a great asset as we navigate
24 the myriad complexities that this Council faces. As some have said already, this Council
25 has overcome tremendous challenges. We lost 2 friends, Marilyn Praisner and Don
26 Praisner, and as folks have mentioned, our Council leadership-- Mike Knapp, Phil
27 Andrews, and Roger Berliner-- all took on extra committee responsibilities, and they did so
28 with competence and with grace. We've had two-- not one, but two-- special elections, and
29 throughout all of this, the staff that served both Marilyn and Don showed extraordinary
30 commitment to the residents of District 4, and we thank them for that. We're very fortunate
31 that Councilmember Nancy Navarro brings such a tremendous breadth of knowledge that
32 has enabled her to assume her responsibilities so quickly and so well. District 4 is lucky to
33 have someone with so much intelligence and grit representing them. Thank you, Nancy.
34 This year, Council President Phil Andrews offered us calm and steady leadership. Phil set
35 the bar high. He brought special attention to the tremendous voluntarism of Montgomery
36 County by regularly recognizing all of those who serve on our boards, committees, and
37 commissions. I will work hard to live up to Phil's example in applauding the people who
38 give their time and their effort to the County. It was a good approach, Phil. Phil also
39 opened up our public hearings to anyone who wanted to speak. While that can be a
40 challenge to our schedules, hearing all of our constituents' perspectives has enriched us.
41 It has always been a priority of mine to engage and support our communities, and I plan to

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1 continue this practice. Just so you know, tonight we've got 53 speakers. Of course-- and
2 we've been through this earlier-- behind every great Councilmember, there is a terrific
3 staff, and I really want to thank Phil's staff-- Lisa Mandel-Trupp, Maria Peck, David
4 Hondowicz, John Smith, and Jackie Hawksford. They have-- you have all done us proud.
5 And we're very fortunate this Council has such excellent resources to draw from. Our
6 central staff has always shown a dedication to responsive constituent service and, most of
7 all, problem solving, and I know this year will be no different. To all of my colleagues, I
8 offer my utmost respect and appreciation. Each one of you brings an expertise and great
9 talent to the table as we approach this year with care and a collaborative spirit that will
10 continue to give the residents of Montgomery County the stability and the leadership they
11 deserve. I look forward to working closely with our County Executive and his staff. We all
12 will need to work together. We cannot afford not to. We need to keep Montgomery County
13 on track. One of my greatest blessings has been the privilege of living in Montgomery
14 County for last 30 years, whether it was as PTA President, as an attorney representing
15 community groups all through the County, as Mayor of Garrett Park, a member of the
16 Planning Board, or a Councilmember for the past 7 years, I have experienced firsthand
17 the diversity and the unique elements that make this County great. As in the past, my
18 mission will be to protect our safety net and preserve key elements that have made this
19 County a success-- our schools, green spaces, and the arts-- while keeping the County
20 economically viable. At the entrance to my office, I keep a plaque with my favorite Winston
21 Churchill quote-- "Never, never, never give up." That speaks to me of the spirit and guts
22 that our citizens bring to their lives every single day. But Churchill was not just tough. He
23 was also smart. So I pledge to follow another one of his observations-- "Courage is what it
24 takes to stand up and speak. Courage is also what it takes to sit down and listen." This
25 County is facing a reality check. Later this morning, we'll have a briefing on our current
26 economic status, and the figures that we hear will infuse our decisionmaking in the coming
27 year. It is not pretty. Montgomery County is hurting. Our employment rate is higher than it
28 has been in our recorded history, and that number does not include those who have given
29 up looking for a job or who are underemployed. 14,000 fewer Montgomery County
30 residents are working this year than were working at this time last year. Let me repeat
31 that-- 14,000. Vacancy rates are skyrocketing. Home prices are declining. Few homes are
32 being built. The number and value of non-residential projects under construction is at a
33 low, and home sales for the past 2 years have been at their lowest since the 1990s. Our
34 citizens have less with which to pay their bills, so we have less revenue to pay the
35 County's bills. Anyone who balances a checkbook knows that we must make sacrifices
36 and tighten our belts. There will be tough decisions to be made, and not everyone will be
37 in agreement, but if we all pull together, recognize our common goals, and focus on
38 basics, we will prevail in these serious and very difficult times. I want to relate just one
39 little story. I have a young staff member who has been with me for a year now, and this
40 fall, we finally got him to move up here to Rockville from where he had been living in
41 Virginia. A week or so after he moved, he realized that with the difference in taxes, his

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1 take-home pay was surprisingly lower. He might have to get another job just to live here.
2 We need to keep this simple fact in mind as we work through this year:
3 our people pay more to live in Montgomery County. They deserve real value for their
4 money. We need to listen very carefully to them, and we owe them our fullest respect and
5 the strength to keep our spending within their means. We need to keep the County on
6 track to maximize its success while minimizing its cost. Our strengths are in our
7 commitment to education and in our employees. This is what makes a difference in
8 people's lives-- teachers who open our children's minds and hearts; police officers and fire
9 and rescue workers who show judgment and bravery; and parks, social services, and
10 roads and transit workers who care for our world and make it a home for all of us. I want
11 to share with you 3 priorities that will guide my work this year. First, we need the County
12 Executive to send us an aggressive cost-cutting plan for the rest of the year. We have
13 wonderful programs, but we can only provide those that the taxpayers-- our bosses-- can
14 pay for. Federal stimulus dollars helped us and the state through the last years, but they
15 are not going to be repeated. Our spending must match that reality. Second, I ask all my
16 colleagues to make sure that for every piece of legislation you consider, you carefully
17 examine its fiscal costs and the economic impact on our residents. We've made some
18 progress in getting that information before us. The Office of Legislative Oversight is
19 working on a report on how we can do better, but I believe the time to start is now. No new
20 regulation is free without some burden on taxpayers. Let's make sure we understand all
21 the costs of proposals and know how we will pay for them before we endorse them. Third,
22 we need to get-- engage in a full-court press on advancing the County's economic
23 development goals. We need to bring those 14,000 jobs back and increase them. We
24 need to undertake every option we can identify to strengthen Montgomery County as the
25 economic engine of the state of Maryland. If we don't, the taxpaying burden on our
26 residents will only increase, and our young people will not be able to afford to stay here.
27 We must keep Montgomery County on track for the future. The 9 of us up here have
28 received an extraordinary gift-- the opportunity to make a difference in so many lives. Yes,
29 our challenges are big this year, but they aren't bigger than our commitment and our
30 ability to solve them. With thanks again to Mr. Churchill, this can be our finest hour. So
31 thank you for your support and for your support in the upcoming year. And the agenda
32 now says that we are open for remarks from the Council Vice President.

33
34 COUNCIL VICE PRESIDENT ERVIN:

35 Thank you very much. This County Council will be remembered not only for the things that
36 we were able to accomplish on behalf of our residents, but also for coming together during
37 some of the most extraordinary events in the Council's history. During the past 3 years,
38 this Council stood together as we mourned the loss of 2 of our colleagues, Marilyn and
39 Don Praisner. We adapted to the changes that occurred during the aftermath of 2
40 unprecedented special elections. And we balanced one of the most difficult budgets in
41 more than a decade. These events tested our commitment to the people of Montgomery

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1 County, as we put our personal differences aside and moved the people's agenda
2 forward. That is what this Council will continue to do. This year, the annual process which
3 determines how this body selects its leaders has been a difficult one because nothing
4 about this 4-year term has been typical. When thinking about what I wanted to say today, I
5 was reminded of the keynote speech that the late, great congresswoman from Texas,
6 Barbara Jordan, gave at the Democratic National Convention in New York in 1976. She
7 talked about the concept of governing, looking forward to the future, and she, like
8 President Obama, spoke about change. She said, and I quote, "We are a party of
9 innovation. We do not reject our traditions, but we are willing to adapt to changing
10 circumstances when change we must. We are willing to suffer the discomfort of change in
11 order to achieve a better future." End quote. These words ring true for me today. In this
12 time of unprecedented fiscal uncertainty, I am confident that this Council will focus on
13 preserving the foundation and principles that make this a great County. We want a quality
14 education for all of our children, we want to live in safe communities, we want to provide
15 jobs that pay a living wage and offer a ladder of opportunity, and we want to enjoy and
16 protect the natural environment. We are very fortunate to live in a County where these are
17 some of the things that create an excellent quality of life. Today, Montgomery County, like
18 many jurisdictions across the nation, faces tough economic times. As a single mother who
19 raised 2 sons, I know what it's like to set priorities, especially when times are difficult. I
20 know how to make do with a little bit less and still manage to balance my checkbook at the
21 end of the month. Many residents in this County are facing similar challenges. Families
22 are learning how to stay within a budget by prioritizing and focusing on the essentials. We
23 in County government are prepared to do the same. I know this Council, under the
24 experienced leadership of Nancy Floreen, will rise to the challenge and do what is
25 necessary to preserve all that makes Montgomery County a great place to call home. It is
26 an honor to serve as Vice President of the Montgomery County Council. I thank my
27 colleagues for placing their trust in me. And I want to take this opportunity to express my
28 gratitude to outgoing Council President Phil Andrews. He served us all so well. He was
29 always on time, shared the microphone, and gave residents every opportunity to speak to
30 us through public hearings, town hall meetings, Council sessions, and committee
31 meetings. He was everywhere, and he served the Council with grace, humor, knowledge,
32 and fairness. I also want to thank Council Vice President Roger Berliner for his service.
33 He always tried to find common ground, and, as we all know, that is not an easy process. I
34 was recently given a copy of the book "The Price of Government." In the introduction,
35 there is a quote from the "Seattle Times" that reads, and I quote, "The usual political way
36 to handle a projected deficit is to take last year's budget and cut. It is like taking last year's
37 family car and reducing its weight with a blowtorch and shears. But cutting \$2 billion from
38 this vehicle does not make it a compact. It makes it a wreck. What is wanted is a budget
39 designed from the ground up." End quote. This Council as a body will come to grips with
40 this budget and, as usual, rely on the expertise of our excellent Council staff and focus on
41 the priorities that our residents want and deserve. It will be a daunting task, but I am



Second.

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1 COUNCIL PRESIDENT FLOREEN:

2 Moved by Mr. Leventhal. Seconded by Miss Ervin. All in favor of approving the minutes.
3 Here we go. This is a good track record. Next we have the Consent Calendar. Is there a
4 motion to approve the Consent Calendar?

5
6 COUNCILMEMBER KNAPP:

7 So moved.

8
9 COUNCIL VICE PRESIDENT ERVIN:

10 Second.

11
12 COUNCIL PRESIDENT FLOREEN:

13 Moved by Mr. Knapp. Seconded by Miss Ervin. Any particular comments? All in favor,
14 then, of approving the Consent Calendar, can you raise your hands? Unanimous again.
15 Excellent. I'm going to follow Mr.-- Councilmember Andrews' lead in thanking the folks
16 who have agreed to serve on our boards and commissions, and today, we welcome
17 Roger Peele and Carol Yesley to the Adult Public Guardianship Review Board. We're
18 confirming Gordon Taylor as an appointment to the Alcoholic Beverages Advisory Board.
19 We're confirming Melinda McCartin and Larissa Halstead to the Commission on Children
20 and Youth. We're confirming Ronna Cook, Charlotte Mullican, Migdalia Rivera-Goba,
21 Lena Bond, and Jennifer Carson to the Citizens Review Panel for Children. We're
22 confirming Tonya Hughes and Walter Woods to the Community Action Board. We're
23 confirming Ralph Mollet to the Commission on Board of Registration for Building
24 Contractors. And we're confirming Sabrina Goris to-- as an appointment to the Wheaton
25 Urban District Advisory Committee. Thank you all for your service. Next item on the
26 agenda is the introduction of the Zoning Text Amendment 09-13, Mixed Transit-- Transit
27 Mixed-Use, the TMX Zone - Prior Approvals. I think this was introduced as the motion of
28 the PHED Committee. Action item here is the resolution to establish a public hearing...

29
30 COUNCILMEMBER KNAPP:

31 So moved.

32
33 COUNCIL PRESIDENT FLOREEN:

34 ...for January 19 at 1:30. Mr. Knapp has moved this.

35
36 COUNCILMEMBER NAVARRO:

37 Second.

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1 COUNCIL PRESIDENT FLOREEN:

2 Seconded by Miss Navarro. All in favor? Excellent. Now we move into Legislative
3 Session, day 44. Item number 4 on the agenda is the Introduction of Bills-- Expedited Bill
4 45-09, Contracts and Procurement - Amendments, sponsored by the Council President at
5 the request of the County Executive. The public hearing is scheduled for 1/19 at 1:30 PM,
6 and the-- without objection, it is introduced. And as a follow-up to last week's
7 conversation, is Bill 46-09, Personnel - Regulations - Persons with Disabilities, Hiring
8 Preference, sponsored by Council President-- by Council President Andrews, with a public
9 hearing scheduled for January 12 at 7:30 PM. Again, without objection, it's scheduled.
10 Now, Call of Bills for Final Reading, is Bill 36-09, Elected Officials - Compensation. Mr.
11 Drummer, I understand there was no committee review, so you want to take us through
12 this? It's item number 6 on our agenda.

13
14 ROBERT DRUMMER:

15 The Bill 36-09 is-- would implement the recommendations of the Committee to Study
16 Compensation of the County Executive, County Council, Sheriff, and State's Attorney. The
17 bill itself makes changes to the salaries for these elected officials for the next 4-year term,
18 starting after the next election. It would change the salary for the County Executive from
19 the current \$175,000 to \$180,250 in December of 2012, which would be year 3 of the next
20 term, and then make a change-- adjust it for the CPIU, the consumer price index, or the
21 general wage adjustment for-- negotiated with MCGEO for-- in December 2013-- I got to
22 get used to that-- which would be year 4. For the County Councilmembers, it would
23 increase the salary in the second year of the term, not in the first year, in December 2011,
24 to \$99,069, and then the following year, an additional 5% increase to \$104,022 in year 3,
25 and then year 4 would be adjusted by the CPIU or the general wage adjustment
26 negotiated with MCGEO. For the sheriff, the bill would increase the salary to 154,000 in
27 the first year, December 2010, and then make an adjustment in the final year, year 4 of
28 the next term of the sheriff, by the CPIU or the general wage adjustment that's negotiated
29 with the Fraternal Order of Police. The State's Attorney's salary would be increased in
30 year one-- the State's Attorney's salary changes by state law in January, not December,
31 so that's when the term begins-- to 199,000 in January of 2011, and then in the fourth
32 year, again by the CPIU or the general wage adjustment negotiated with MCGEO. The--
33 first, there are several issues. First, the bill reflects a preliminary estimate for-- of a CPIU
34 adjustment for this current year, which is in current law, of .59%, which was a preliminary
35 estimate we received from the Department of Finance. However, after the bill was
36 introduced, the Office of Human Resources actually calculated the CPIU as .33%. So the
37 numbers shown in the bill on lines 15 and 16 need to be adjusted. The-- on line 15, the
38 current-- or the salary for Councilmembers starting this month will be, with the 0.33%
39 adjustment, \$94,351 and \$99,069 on line 16. The second issue in the packet is the
40 recommendation from the committee to link the final year of each of the salaries to either
41 the CPIU or the lesser of the CPIU or the general wage adjustment negotiated with a



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1 specific union. We believe that the linking of salaries to a negotiated wage increase with a
2 union runs the risk of violating Article 3, Section 35 of the Maryland Constitution, which
3 prohibits either an increase or a decrease in the salary of an elected official during a 4-
4 year term of office. And the general wage adjustment-- unlike the CPIU, which is out of the
5 direct control of any of the elected officials-- the general wage adjustment is within direct
6 control of the Executive and the Councilmembers. So we would recommend that the link
7 to the general wage adjustment be removed from the bill for the fourth year and just left at
8 the CPIU for that year, and that amendment is in your packet-- staff amendment-- as staff
9 amendment 1. The final issue, after-- after the bill was introduced at the public hearing,
10 the chair, if you remember, of the committee, Yale Wiesberg, testified that the committee
11 had reconsidered its recommendations and concluded that there should be a change in
12 the retirement plan for elected-- for the elected officials and recommended that the
13 retirement plan for the elected officials be made consistent with the changes that were
14 made last year for County employees who participate in the Retirement Savings Plan, the
15 RSP. The difference is, there would be 2 changes. First, is the current contribution for
16 members in the separate elected officials' plan, as I'm sure you know, is 3% for the
17 employee-- or for the elected official-- and 6% of salary contributed by the County. The
18 RSP rates were increased last year-- or actually July of 2008-- from 3 and 6 to 4 and 8, so
19 the first recommendation would be to match the contribution rates of the RSP in the
20 elected officials' plan and go up to 4 and 8. The second part of the recommendation, is, as
21 you remember, just this past July 1-- effective July 1, 2009-- County employees who
22 participated in the Retirement Savings Plan, which is a defined contribution plan, similar to
23 the elected officials' plan, were given an opportunity to make a one-time election into the
24 new Guaranteed Retirement Income Plan, which is a cash balance plan, which is similar
25 to the Retirement Savings Plan, but instead of a self-directed investment account, the
26 employee is given a guaranteed credit of 7.25% and the money is actually invested by the
27 Board of Retirement Trustees, along with the defined benefit plan assets. So, those
28 changes, if you would like to make them, are on amendment 2-- staff amendment 2-- in
29 the packet. And that would-- if-- if that change is made, the bill would then be consistent
30 with the recommendations, the now-revised recommendations, of the committee.

31
32 COUNCIL PRESIDENT FLOREEN:

33 Thank you. Mr. Knapp.

34
35 COUNCILMEMBER KNAPP:

36 Thank you, Madam President. I just wanted to make one note that isn't necessarily
37 particularly focused on the legislation before us, but as we're talking about increases for
38 the-- for this year, since it actually is in the legislation, I thought it was important just for
39 people to know that all Councilmembers have, in fact, elected to return whatever
40 increases they would have received to reflect what we've asked of our County employees

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1 as well. So I just thought it was an important point to make sure that everyone
2 understands that. Thank you.

3
4 COUNCIL PRESIDENT FLOREEN:
5 Good point. Mr. Andrews.

6
7 COUNCILMEMBER ANDREWS:
8 Thank you, Madam President, and I agree with the point that was just made by
9 Councilmember Knapp. I would move the staff amendment number 1, not wanting to
10 violate, in their opinion, the Constitution of the State of Maryland.

11
12 COUNCIL PRESIDENT FLOREEN:
13 Good idea.

14
15 COUNCILMEMBER ANDREWS:
16 I think it does make sense to adopt the amendment.

17
18 COUNCILMEMBER KNAPP:
19 Second.

20
21 COUNCILMEMBER ANDREWS:
22 Substituting the CPI for the general wage adjustment language.

23
24 COUNCIL PRESIDENT FLOREEN:
25 Thank you, Mr. Andrews. Is there any objection? I think we'll do that by acclamation. Mr.--
26 anything else, Phil?

27
28 COUNCILMEMBER ANDREWS:
29 No.

30
31 COUNCIL PRESIDENT FLOREEN:
32 No. Mr. Leventhal. There you go.

33
34 COUNCILMEMBER LEVENTHAL:
35 Thanks. The pay raise that all Councilmembers agreed to give up in the current year
36 amounted to \$311 for the year for most Councilmembers. It was a little more than that for
37 the Council President.

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1 COUNCIL PRESIDENT FLOREEN:

2 Now, the-- thank you. The other question is whether the Council wishes to agree with the
3 staff recommendation that-- that retirement benefits for elected officials be consistent with
4 the retirement benefits for County employees.

5
6 COUNCILMEMBER KNAPP:

7 I'll move that.

8
9 COUNCIL PRESIDENT FLOREEN:

10 Mr. Knapp has moved.

11
12 COUNCIL VICE PRESIDENT ERVIN:

13 Second.

14
15 COUNCIL PRESIDENT FLOREEN:

16 And Miss Ervin has seconded that amendment. Is there any objection?

17
18 COUNCILMEMBER ANDREWS:

19 I'm going to vote against that. I had voted against it initially, so I'm going to be consistent
20 on that.

21
22 COUNCIL PRESIDENT FLOREEN:

23 OK. Is there anybody else who voices objection to that particular proposal? So then we
24 have-- what we have before us is Bill 36-09, amended to include the staff-recommended
25 amendments 1 and 2, as well as mathematical correction as to what the numbers should
26 reflect. This is a roll call vote, so we need a motion for the bill.

27
28 COUNCILMEMBER KNAPP:

29 So moved.

30
31 COUNCILMEMBER NAVARRO:

32 Second.

33
34 COUNCIL PRESIDENT FLOREEN:

35 Moved by Councilmember Knapp. Seconded by Councilmember Navarro. And, Madam
36 Clerk, can you call the roll?

37
38 MARY ANNE PARADISE:

39 Miss Navarro.

40
41 COUNCILMEMBER NAVARRO:

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1 Yes.
2
3 MARY ANNE PARADISE:
4 Mr. Elrich.
5
6 COUNCILMEMBER ELRICH:
7 Yes.
8
9 MARY ANNE PARADISE:
10 Miss Trachtenberg.
11
12 COUNCILMEMBER TRACHTENBERG:
13 Yes.
14
15 MARY ANNE PARADISE:
16 Mr. Berliner.
17
18 COUNCILMEMBER BERLINER:
19 Yes.
20
21 MARY ANNE PARADISE:
22 Mr. Leventhal.
23
24 COUNCILMEMBER LEVENTHAL:
25 Yes.
26
27 MARY ANNE PARADISE:
28 Mr. Andrews.
29
30 COUNCILMEMBER ANDREWS:
31 Yes.
32
33 MARY ANNE PARADISE:
34 Mr. Knapp.
35
36 COUNCILMEMBER KNAPP:
37 Yes.
38

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1 MARY ANNE PARADISE:

2 Miss Ervin.

4 COUNCIL VICE PRESIDENT ERVIN:

5 Yes.

7 MARY ANNE PARADISE:

8 Miss Floreen.

10 COUNCIL PRESIDENT FLOREEN:

11 Yes. Thank you. The Bill 36-09 is enacted. I want to thank the Committee to Study
12 Compensation of the elected officials in the County. It's the value that our community
13 members bring to these kinds of efforts that makes this a great place. It's all volunteer
14 time, and we are very lucky to have that kind of input from the community. Next item on
15 the agenda is item number 7, Expedited Bill 44-09, Buildings - Energy Efficiency -
16 Deferral. Miss Amanda Mihill.

18 AMANDA MIHILL:

19 Expedited Bill 44-09 essentially defers the effective date for requiring certain residential
20 buildings to meet ENERGY STAR standards from January 1 to April 1. By way of
21 background, the Council enacted last year an ENERGY STAR requirement for certain
22 covered buildings which would apply on January 1, but in uncodified provision, the bill
23 would delay the ENERGY STAR effective date from January to April if DEP certified that
24 an alternative approach would achieve the same energy efficiency goals and be less
25 costly to builders and buyers of covered buildings. And in the Executive's transmittal
26 memo, DEP had analyzed several alternative standards to ENERGY STAR and
27 concluded that the 2009 International Energy Conservation Code, with the addition of a
28 blower door test to verify compliance, would achieve the same energy goals, although
29 they could not conclusively determine that it would be less costly than ENERGY STAR.
30 But the state has already mandated that the local jurisdictions have to adopt the IECC
31 code by April 1, and so what this bill before you would do is just delay that-- the effective
32 date from January 1 one to April 1 for the ENERGY STAR standard.

34 COUNCIL PRESIDENT FLOREEN:

35 OK. Thank you, Amanda. Any comments from anyone?

37 COUNCIL VICE PRESIDENT ERVIN:

38 Move approval.

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1 COUNCIL PRESIDENT FLOREEN:

2 There's not a committee recommendation on this one. Ms. Ervin has moved approval. Is
3 there a second?

5 COUNCILMEMBER KNAPP:

6 Second

8 COUNCIL PRESIDENT FLOREEN:

9 Again, another roll call vote. Could you call the roll, please?

11 MARY ANNE PARADISE:

12 Miss Navarro.

14 COUNCILMEMBER NAVARRO:

15 Yes.

17 MARY ANNE PARADISE:

18 Mr. Elrich.

20 COUNCILMEMBER ELRICH:

21 Yes.

23 MARY ANNE PARADISE:

24 Miss Trachtenberg.

26 COUNCILMEMBER TRACHTENBERG:

27 Yes.

29 MARY ANNE PARADISE:

30 Mr. Berliner.

32 COUNCILMEMBER BERLINER:

33 Yes.

35 MARY ANNE PARADISE:

36 Mr. Leventhal.

38 COUNCILMEMBER LEVENTHAL:

39 Yes.

41 MARY ANNE PARADISE:

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1 Mr. Andrews.

2
3 COUNCILMEMBER ANDREWS:

4 Yes.

5
6 MARY ANNE PARADISE:

7 Mr. Knapp.

8
9 COUNCILMEMBER KNAPP:

10 Yes.

11
12 MARY ANNE PARADISE:

13 Miss Ervin.

14
15 COUNCIL VICE PRESIDENT ERVIN:

16 Yes.

17
18 MARY ANNE PARADISE:

19 Miss Floreen.

20
21 COUNCIL PRESIDENT FLOREEN:

22 Yes. The renewable energy-- well, the Energy Efficiency Bill has been approved, and the
23 rules have been deferred. OK, the next item is Expedited Bill 39-09, Property Tax Credit -
24 Renewable Energy - Annual Aggregate Limit, and for that, I'll turn to the chair of the
25 Management and Fiscal Policy Committee.

26
27 COUNCILMEMBER TRACHTENBERG:

28 Thank you, Madam President. Bill 39-09, Property Tax Credit - Renewable Energy -
29 Annual Aggregate Limit, which is sponsored by Councilmember Berliner, was introduced
30 back the beginning of November. There was a public hearing at the end of that month,
31 and there was a committee recommendation provided at yesterday's MFP worksession-- a
32 unanimous 2-0 recommendation that we support the bill as proposed. In effect, Bill 39-09
33 would increase the annual limit for the property tax credit for solar and geothermal energy
34 devices from \$250,000 to \$400,000 and reduce the annual limit for the property tax credit
35 for energy conservation devices, reducing it from \$250,000 to \$100,000. Again, there was
36 a recommendation from the committee to approve the bill as provided.

37
38 COUNCIL PRESIDENT FLOREEN:

39 Thank you. Thank you, Miss Trachtenberg. Councilmember Ervin.

40 COUNCIL VICE PRESIDENT ERVIN:



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1 I just wanted to underscore something that I said in the MFP Committee meeting
2 yesterday regarding this bill, 39-09, in that I support Councilmember Berliner, but I also
3 am very concerned about how the-- the limit for conservation, as opposed to renewable
4 energy, needs to be worked on a little bit more. And I know that Councilmember Berliner
5 is very amenable to that, but I am very concerned about the very people who we need to
6 be directing our attention to in this regard are the people who are not able to afford getting
7 the kind of work done on their homes that they-- they need help on. So I'm sure that he is
8 going to comment on that, and I just want to keep coming back to this as a very important
9 issue, and even as I'm looking at the packet, the member of the County Energy and Air
10 Quality Advisory Committee said that because renewable energy is not as cost-effective
11 as energy conservation measures, the limit for energy conservation devices should not be
12 reduced. So if you want to comment on that, I think that we have a lot of work to do in this
13 regard.

14
15 COUNCIL PRESIDENT FLOREEN:

16 Thank you, Miss Ervin. Go ahead, Councilmember Berliner. Why don't you respond to
17 that?

18
19 COUNCILMEMBER BERLINER:

20 Thank you, Madam President. Both Councilmember Ervin and my colleague
21 Councilmember Leventhal have expressed concerns-- twofold, really. One is concerns
22 about equity-- that is that we do have, with respect to solar energy, in particular, it is an
23 outlay of something on the order of \$20,000 for people, and working-class people don't
24 have \$20,000 sitting around to invest in solar energy. So there's a concern that our
25 Council is assisting those, perhaps, who don't need as much help as others with respect
26 to this particular tax credit. And the goal, of course, with respect to the energy
27 conservation tax credit was precisely that, which was to ensure that we were providing
28 some marginal assistance. And it was marginal because if you do a good energy
29 conservation retrofit, that, too, costs \$7,000, \$10,000, or more, and we're providing a \$250
30 tax credit. On the other hand, we-- this Council has done big work to ensure that
31 everybody who can-- who has a home can get a loan from the County at very modest
32 rates, spread out over 15 years, to provide energy conservation with almost no dollars up
33 front. So while this program is not geared in the way in which-- that gets to the heart of
34 your concerns, we do have other programs that more directly do, and we need to keep
35 working on it. One of the disappointments from our task force on energy sustainability was
36 our inability to really crack through the multi-family structures that are renters and people
37 who literally see their utility bills go up the chimney, and they need help. We haven't
38 gotten there yet, and we need to keep working to get there, and my commitment to you
39 has always been I'm going to do so. In this particular context, we have a totally over-
40 subscribed credit and a totally under-subscribed credit. We're not changing the dollars
41 here-- total dollars. We are simply saying, let's go with the over-subscribed, give them a



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1 little more help, and we are still keeping the ceiling for the energy conservation tax credit
2 2.5 times what has been used to date. Our DEP folks have acknowledged that we haven't
3 done enough on outreach, and we're about to get some federal dollars to do that kind of
4 education that will allow our consumers and residents to know the kinds of help they can
5 get from the County to reduce their energy consumption. So, that, too, is on the way, and
6 we're just going to do a better job, but I appreciate my colleagues' support for this
7 measure, which I think is appropriate while we work through the larger sets of issues that
8 you've identified.

9
10 COUNCIL PRESIDENT FLOREEN:

11 Thank you, Councilmember Berliner. Councilmember Leventhal.

12
13 COUNCILMEMBER LEVENTHAL:

14 Yeah. I appreciate Mr. Berliner identifying the concerns that we raised in the
15 Transportation, Infrastructure, Energy and Environment Committee, and perhaps in future,
16 if we're going to discuss policy around these programs, we could have joint meetings with
17 the MFP Committee. I understand the MFP Committee has jurisdiction over tax credits,
18 but it's so closely related to the energy incentive program, so-- it might have served us
19 well to have that conversation in joint committee. I am going to take it for granted that the
20 good intent of the Department of Environmental Protection that was expressed yesterday
21 will in fact be carried out. The loan program that Mr. Berliner has done admirable work on
22 isn't actually up and running yet. They've asked us for permission for a few more months
23 to get the rules in places, and they're optimistic that there will be federal dollars to
24 capitalize the program, and I'm an optimist, so, you know, we're looking forward to all of
25 those things occurring. So not all of this has occurred in the perfect synchronicity of time
26 that we might have wanted, and in the meantime, some very fortunate individuals have
27 been able to install solar panels on their roofs, and Mr. Berliner is correct that it does-- I'm
28 delighted for those individuals and I'm delighted for the solar panel industry, and we want
29 to generate jobs in environmental technologies, so I'm going to go ahead and vote for this
30 bill, but with some reservations because I'm concerned that we're reducing the amount
31 that might be available for what we might consider ordinary working families to-- to get
32 access. But I also think-- and I hope-- and I don't know if there's anyone from DEP here. I
33 do hope that the testimony that we receive, which is in the packet from Mr. Shaw, will be
34 taken to heart. We-- we really can do a much better job of making families aware that
35 there are benefits available to them for weatherizing and making their homes more energy
36 efficient. And as we discussed in the T&E Committee yesterday, there's actually some
37 federal funding that DEP is hoping to utilize for that very purpose-- to expand notice. And I
38 do have to say that I'm-- I'm-- with some regret, I'm not going to advocate for additional
39 funding, at present, for the Clean Energy Rewards Program, which actually achieves the
40 purpose of reducing or eliminating one's carbon footprint at a dramatically lower cost than
41 the \$20,000-40,000 it would cost a household to put solar panels on its roof. I

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1 acknowledge that we can't pay for everything, and the money has run out for that program
2 this year, and I'm not, at this point, pursuing additional funding, but with some regret,
3 because I do think that County government did an effective job of publicizing that. We
4 need to do a better job of publicizing the home energy efficiency programs. County
5 government was so effective at publicizing it that the money ran out less than 90 days
6 after the beginning of the fiscal year, and then we had to eliminate additional funding for
7 advertising the program. I think we made good efforts at educating our consumers about
8 the availability of alternative energy products and energy efficiency products. The problem
9 is, most of our residents still can't afford them, or still don't feel that they can afford them,
10 and-- and that's something we're going to have to continue to tackle.

11
12 COUNCIL PRESIDENT FLOREEN:

13 Thank you, Mr. Leventhal. So we have a motion on the table from the MFP Committee.
14 Again, another roll call vote. Madam Clerk?

15
16 MARY ANNE PARADISE:

17 Miss Navarro.

18
19 COUNCILMEMBER NAVARRO:

20 Yes.

21
22 MARY ANNE PARADISE:

23 Mr. Elrich.

24
25 COUNCILMEMBER ELRICH:

26 Yes.

27
28 MARY ANNE PARADISE:

29 Miss Trachtenberg.

30
31 COUNCILMEMBER TRACHTENBERG:

32 Yes.

33
34 MARY ANNE PARADISE:

35 Mr. Berliner.

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1 COUNCILMEMBER BERLINER:

2 Yes.

4 MARY ANNE PARADISE:

5 Mr. Leventhal.

7 COUNCILMEMBER LEVENTHAL:

8 Yes.

10 MARY ANNE PARADISE:

11 Mr. Andrews.

13 COUNCILMEMBER ANDREWS:

14 Yes.

16 MARY ANNE PARADISE:

17 Mr. Knapp.

19 COUNCILMEMBER KNAPP:

20 Yes.

22 MARY ANNE PARADISE:

23 Miss Ervin.

25 COUNCIL VICE PRESIDENT ERVIN:

26 Yes.

28 MARY ANNE PARADISE:

29 Miss Floreen.

31 COUNCIL PRESIDENT FLOREEN:

32 Yes. Expedited Bill 39-09 passes unanimously. Thank you. Next item is Item 9, Expedited
33 Bill 40-09, Personnel - Audits - and the Trust fund-- Mr.-- Councilmember Andrews' bill.
34 And Madam Chair of the MFP Committee?

36 COUNCILMEMBER TRACHTENBERG:

37 Thank you, Madam President. Expedited Bill 40-09, Personnel - Audits - Trust Fund,
38 which was sponsored by Councilmember Andrews, and I believe I'm a co-sponsor as well,
39 listed-- I should be listed. I'm not in the packet, but I know in committee I asked that I be
40 added. We had discussion in the Audit Committee around this bill. I believe we had 2
41 separate conversations. The bill, I recall, was introduced the beginning of November and

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1 November 10, and it was back-- just the other day-- I think it was-- was it Monday-- or no,
2 last week, excuse me, that there was a unanimous recommendation from the Audit
3 Committee, 3-0, to approve the bill as introduced. And in summary, Expedited Bill 40-09
4 would, pursuant to the Charter, require an independent-- an annual independent audit of
5 each deferred compensation plan and the Retiree Health Benefits Trust Fund. The
6 Council would, in effect, hire the audit firm, and a report would be filed with the Council
7 and made available for public inspection. Again, as I recall, there were 2 conversations.
8 We actually waited to have some input from the union community around the legislation. I
9 believe in the packet there is a letter that was received-- it's dated November 16-- from Mr.
10 Bader, Mr. Renne, and Mr. Sparks-- and in effect, they had supported the original
11 proposed language in the bill. So the recommendation of the Audit Committee is to
12 approve it as introduced.

13
14 COUNCIL PRESIDENT FLOREEN:

15 Thank you, Councilmember Trachtenberg. Councilmember Knapp.

16
17 COUNCILMEMBER KNAPP:

18 Thank you, Madam President. I just-- I appreciate the intent of the sponsor, and I guess
19 the question I'm curious about is, as I'm reading through the packet, there is no current
20 requirement for audits to occur, but audits have been conducted. Is that right?

21
22 ROBERT DRUMMER:

23 Well, there's a requirement in the Charter that the audits be done.

24
25 COUNCILMEMBER KNAPP:

26 Right.

27
28 ROBERT DRUMMER:

29 There is no requirement in the County Code that the deferred compensation plans be
30 audited or the Retiree Health Benefits Trust. The Retiree Health Benefits Trust was just
31 recently created.

32
33 COUNCILMEMBER KNAPP:

34 OK.

35
36 ROBERT DRUMMER:

37 But the Charter still required it. The audits were being done, though. Both the County's
38 deferred compensation plan was being audited as part of the audits done for the Board of
39 Investment Trustees retirement plans, just as a matter of course. It was included in that,
40 and the Retiree Health Trust Fund was being audited as part of the overall County budget
41 on the County's financial statements. So they were actually being done. The only one--

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1
2 COUNCILMEMBER KNAPP:

3 OK. So this is-- this is a bit more belts and suspenders, then, just to make sure we've
4 actually got it codified. It doesn't necessarily change actual practice.

5
6 ROBERT DRUMMER:

7 Well, it does only as to the collectively bargained deferred compensation plan. The County
8 was not doing an audit of that plan.

9
10 COUNCILMEMBER KNAPP:

11 Was there an audit being done of that plan?

12
13 ROBERT DRUMMER:

14 My understanding that the plan itself was hiring an auditor to do that, and we did have--
15 we haven't seen the latest audit, but the year before, we received that audit.

16
17 COUNCILMEMBER KNAPP:

18 So audits were being done, just not necessarily as directed by the County. But we were
19 getting that information. That was being reviewed as a part of our overall audit process.

20
21 ROBERT DRUMMER:

22 It was given to us when we asked for it just a couple of weeks ago, so it wasn't part of the
23 County's process to review it.

24
25 COUNCILMEMBER KNAPP:

26 So we just-- the County as an entity never asked for the information?

27
28 ROBERT DRUMMER:

29 I don't know. I mean, I-- you know, I didn't, until a couple of weeks, but--

30
31 COUNCILMEMBER KNAPP:

32 So effectively, we're codifying and putting on belts and suspenders and making sure that--
33 it wasn't as though these things weren't audited. They were audited. We're making sure
34 that we have the pieces in code that we make sure that we have the actual statutory
35 authority to audit it, and now we're actually making sure that we are asking for all of the
36 information, as opposed to having the information out there and us not asking for it.

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1 ROBERT DRUMMER:

2 That's true. Yeah. I mean, that's right. The bill is going to make sure that the audits are
3 done and the Council have control over the auditing firm.

4
5 COUNCILMEMBER KNAPP:

6 And are there additional costs to this, relative to what was being done in the past, or not?
7

8 ROBERT DRUMMER:

9 The additional cost would be to add to the-- either to the current contract or hire a
10 separate contractor to do the audit of the collectively bargained plan, which is estimated to
11 be between \$20,000 and \$25,000 a year.

12
13 COUNCILMEMBER KNAPP:

14 OK. Thank you.
15

16 COUNCIL PRESIDENT FLOREEN:

17 Thank you, Mr. Knapp. Councilmember Elrich.
18

19 COUNCILMEMBER ELRICH:

20 Mr. Knapp has introduced an interesting topic. Does-- does the collectively bargained
21 plan-- does that already require an audit internally for the plan?
22

23 ROBERT DRUMMER:

24 Well, the collectively bargained plan is created by County law, it's established by County
25 law, and because it's a government-sponsored plan, it had to be under the IRS rules in
26 order to be a deferred compensation plan under Section 457(b).
27

28 COUNCILMEMBER ELRICH:

29 So they were auditing. There was an audit.
30

31 ROBERT DRUMMER:

32 They were auditing themselves. I mean, they were hiring the auditor to audit. They weren't
33 auditing. They hired an independent auditor to audit their plan.
34

35 COUNCILMEMBER ELRICH:

36 Does their plan have a requirement that they hire an independent auditor? Are we, in
37 effect, going to wind up creating 2 audits, where one is done now? Because that would be
38 sort of a waste of money-- somebody's money.
39

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1 ROBERT DRUMMER:

2 Well, I think it would be up to them if they wanted to do a separate audit, but they wouldn't
3 have to after we do it.

4
5 COUNCILMEMBER ELRICH:

6 So they won't have to-- because that was one thing that wasn't clear to me, whether there
7 was something in their plan that required them to do what they were doing, in which case
8 we'd be adding a second level to this. I'm OK only having one audit, and I'm OK us doing
9 it, but if they're already doing it and they have to do it, for whatever reason they have to do
10 it, then I don't see the point in our adding audit number 2 to the mix.

11
12 ROBERT DRUMMER:

13 They wouldn't have to do it, but they could if they wanted to. It's not-- I mean, we couldn't
14 stop them from doing it.

15
16 COUNCIL PRESIDENT FLOREEN:

17 He's our lawyer.

18
19 ROBERT DRUMMER:

20 But-- but they wouldn't have to do it.

21
22 COUNCILMEMBER ELRICH:

23 Assuming they had money to burn and just wanted to do that.

24
25 ROBERT DRUMMER:

26 I don't think they're going to do it.

27
28 COUNCILMEMBER ELRICH:

29 OK.

30
31 COUNCIL PRESIDENT FLOREEN:

32 Anything else, Mr. Elrich?

33
34 COUNCILMEMBER ELRICH:

35 Nope.

36
37 COUNCIL PRESIDENT FLOREEN:

38 No. Councilmember Trachtenberg.

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1 COUNCILMEMBER TRACHTENBERG:

2 2 quick points. One is that my understanding from conversations and a flurry of emails is
3 that they're comfortable with allowing it to be done by the Council, and it was clearly
4 inferred that they were not going to be doing a separate audit, so that's a response to
5 Councilmember Elrich's question, which is a good one. And the other piece that I think we
6 need to consider this morning is the fact that ultimately, it really is the Council's obligation
7 to see to it that there is an efficient audit conducted. So I think there was a consensus and
8 agreement amongst the parties that that, in effect, was-- was the obligation as provided by
9 the law.

10
11 COUNCIL PRESIDENT FLOREEN:

12 Thank you, Miss Trachtenberg. We have a recommendation from the MFP Committee to
13 approve Expedited Bill 40-09. Again, a roll call vote, so, Madam Clerk, you're busy this
14 morning.

15
16 MARY ANNE PARADISE:

17 Miss Navarro.

18
19 COUNCILMEMBER NAVARRO:

20 Yes.

21
22 MARY ANNE PARADISE:

23 Mr. Elrich.

24
25 COUNCILMEMBER ELRICH:

26 Yes.

27
28 MARY ANNE PARADISE:

29 Miss Trachtenberg.

30
31 COUNCILMEMBER TRACHTENBERG:

32 Yes.

33
34 MARY ANNE PARADISE:

35 Mr. Berliner.

36
37 COUNCILMEMBER BERLINER:

38 Yes.

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1 MARY ANNE PARADISE:

2 Mr. Leventhal.

4 COUNCILMEMBER LEVENTHAL:

5 Yes.

7 MARY ANNE PARADISE:

8 Mr. Andrews.

10 COUNCILMEMBER ANDREWS:

11 Yes.

13 MARY ANNE PARADISE:

14 Mr. Knapp.

16 COUNCILMEMBER KNAPP:

17 Yes.

19 MARY ANNE PARADISE:

20 Miss Ervin.

22 COUNCIL VICE PRESIDENT ERVIN:

23 Yes.

25 MARY ANNE PARADISE:

26 Miss Floreen.

28 COUNCIL PRESIDENT FLOREEN:

29 Yes. Expedited Bill 40-09 passes unanimously. Mr. Drummer, if you would be so kind as
30 to get us a list of what we don't audit that we might audit, or what request for audits we
31 should make within various funds that are subject to our supervision. Perhaps there aren't
32 any. I don't know. You did address-- I had raised this question previously with respect to
33 some of the independent agencies, and when you have a moment, if you could run
34 through the list of funds out there, just to make sure that we're auditing or getting copies of
35 audits performed that we should. Councilmember Trachtenberg.

37 COUNCILMEMBER TRACHTENBERG:

38 Yeah. I would recall for Council President Floreen that there have been one or two
39 conversations within the Audit Committee about this very issue.

41 COUNCIL PRESIDENT FLOREEN:

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1 Good.

2
3 COUNCILMEMBER TRACHTENBERG:

4 And I believe if you actually go back and look at some of the packets prepared last spring,
5 in fact, one of the first meetings we had, there was-- there was a listing, I believe-- some
6 detail provided about ongoing audits in the packet that was prepared. So I don't think Mr.
7 Drummer is going to have to go-- look too far to find you the information that you're
8 requesting.

9
10 COUNCIL PRESIDENT FLOREEN:

11 Excellent.

12
13 ROBERT DRUMMER:

14 Thank you.

15
16 COUNCIL PRESIDENT FLOREEN:

17 Thank you. All right. Next item on the agenda is a resolution to extend the expiration dates
18 of Bills 13/38-- no just Bill 13/38-07, Moderately Priced Dwelling Units - Amendments, until
19 December 31, 2010. Is there a motion?

20
21 COUNCIL VICE PRESIDENT ERVIN:

22 Move approval.

23
24 COUNCIL PRESIDENT FLOREEN:

25 Councilmember Ervin moves approval. Is there a second?

26
27 COUNCILMEMBER NAVARRO:

28 Second.

29
30 COUNCIL PRESIDENT FLOREEN:

31 Councilmember Navarro. All in favor? This is just a raise-your-hand vote. Councilmember
32 Navarro, Councilmember Elrich, Councilmember Trachtenberg, Councilmember Berliner,
33 Councilmember Leventhal, Councilmember Andrews, Councilmember Knapp,
34 Councilmember Ervin, and myself. It passes unanimously. Thank you. All righty. Now we
35 get the bad news-- update on economic indicators and County Fiscal Plan. Agenda item
36 number 11-- Mr. Farber. And we have some representatives from the business community
37 joining us today. Come on down.

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1 COUNCIL VICE PRESIDENT ERVIN:

2 Before we get started, Council President, can you go back to add my name as co-sponsor
3 to Bill 46-09? I didn't do that earlier, so... 46-09. It's item number 5.

5 COUNCIL PRESIDENT FLOREEN:

6 Absolutely. Without objection, your name is added to-- that's the regulations on persons
7 with disabilities.

9 COUNCIL VICE PRESIDENT ERVIN:

10 Yes. Thank you.

12 COUNCIL PRESIDENT FLOREEN:

13 Thank you. Just find my... Let me just note, we have an agenda item number 11 in our
14 packet. We have an addendum, as well, and in continuation of what we've done
15 previously, we have invited some representatives of the community here to speak with us
16 today. And we have Mr. William Robertson, who's president and CEO of Adventist
17 HealthCare, who's chair of the Economic Development Committee for the Montgomery
18 County Chamber of Commerce, and Greg Hourigan-- are you here, Greg? Thank you.
19 Who is owner of the very appropriately named Hard Times Cafe in Bethesda. And with
20 that, Mr. Farber.

22 STEPHEN FARBER:

23 Thank you, Miss Floreen. We are going to proceed in 3 parts today. First, we're going to
24 hear from the Finance Department. Chief Economist David Platt is going to run briefly
25 through a few slides and the revenue update. These do not appear in your packet. You
26 have seen his excellent economic indicators update, which is in the first packet for today.
27 And he'll be assisted by Linda Price. Then we're going to hear from the representatives of
28 the business community whom you just mentioned. And then finally, we're going to hear
29 from Miss Barrett, the finance director, Mr. Beach, the OMB director, and their colleagues
30 with regard to the Fiscal Plan update. So we'll start out with a brief revenue overview from
31 Mr. Platt.

33 DAVID PLATT:

34 At this time every year, we give an update on our March estimates that were prepared for
35 the budget, and these are basically a follow-on to information that we get from the state.
36 Essentially, we go through all the revenue estimates, specifically on the tax revenue
37 estimates-- income tax, property tax, transfer recordation tax, et cetera. So this is basically
38 what we provide every November. It used to be under the form of SAG process, but we do
39 this automatically now regardless of the timeframe of this process but-- for November,
40 because we're into it. Now, getting to, as someone says, the news. These are the updates
41 that we came up with on the income tax, property tax, et cetera. We talked about the



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1 income tax last week-- the issue on the November distribution of the \$85 million shortfall
2 that we saw from our March estimate. We're looking at a \$94 million shortfall because of--
3 we're going-- this is only the November process. We still have a number of months to go
4 till the end of the fiscal year, and the economy-- and we'll get into some specifics on the
5 economy for the local areas-- is not rather heroic at the time. In fact, some of the news
6 that we got yesterday on the employment situation with the County supports that view.
7 We're looking at a \$94 million hit on the income tax from our March estimate. On the
8 property tax, we see a little bit of increase. That's due to the reassessments and the new
9 construction data that has come in since then. On the transfer recordation tax-- and I want
10 to spend a little bit of time going through that specifically-- we had made an assumption
11 based on information that we got from the state a year ago when we prepared the FY09
12 budget of the controlling interest, and they were assuming that we would get about \$12.5
13 million. Well, unfortunately, we've not been able to get specific data from the state on that,
14 but we looked at where we are when we ended up in FY09 on the transfer recordation tax,
15 and it was significantly lower than what we assumed with that \$12.5 million. So we're now
16 starting at a lower base. The other issue coming in on the transfer recordation tax-- and
17 we'll get into this when we get into FY11 a little bit-- is the non-residential and the part of
18 the recordation tax on refinancing. Because home sales had declined initially, the
19 refinancing was at about a 37% decline in FY09. The non-residential side was at a 37%
20 decline. We see that non-residential side continuing into this year and maybe next year.
21 We're looking at-- I believe I have mentioned before that based on data that we have for
22 the region, the sales price for commercial property in the region has been down around
23 23% up through June of '09, and we probably see that that's the-- as someone has said,
24 that's the second shoe to drop on the real-estate business. We've already gone through
25 on the residential side, but the non-residential side is starting to see a hit, especially when
26 the loans come due. At the national level, about a trillion dollars' worth of loans are coming
27 due this year and next year, and if it's anything situation with the mortgages-- with the
28 homeowners, it's going to be a tough process for the commercial side of it. So based on
29 that information, we have pulled back on the residential side about 23%. Granted, it's only
30 about 20% of the total revenues for the recordation transfer tax, but that still has
31 significant impacts on that. The other taxes-- the bigger issue on that one is the
32 hotel/motel tax. That's been down significantly because of occupancy, utilization, and so
33 forth, so we're looking at a pullback on the hotel, mostly. We seem OK on the energy and
34 the telephone tax. The investment income, again, is strictly related to the interest rate
35 policy of the Federal Reserve. They're sticking at a zero and quarter percent rate from
36 now until the end of the year. We were hoping that they-- well, I won't say hoping. We
37 were anticipating, based on the Futures market, they would start raising their rates in
38 spring of next year. That may not come to fruition, based on pronouncements by the
39 chairman, Bernanke, and a few of his presidents of the banks and so forth. They said they
40 may even go into 2011 and keep rates. So that's the issue on-- on where we are Fiscal
41 '10. Fiscal '11, the reason we see \$114 million shortfall on the income tax is because



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1 we're coming at a lower base than we had from the March estimate, and we carry that \$95
2 million through. We're still seeing a little bit of modest recovery on some of the economic
3 performance in the County. The property tax-- the reason for the \$64 million hit is because
4 this is at the Charter Limit giving a credit, and we're expecting now that inflation for FY09
5 is going to be flat. Basically, it's running a little negative, but according to the Charter
6 Limit, no increase, so we're assuming it's going to be flat. Transfer recordation tax-- some
7 improvement there because the residential market now-- the housing market has really
8 improved because of the-- we've mentioned this before, I believe-- because of that first-
9 time homebuyers credit has been extended. The Federal Reserve has made a
10 commitment to purchase a lot of the loans from Freddie Mac and Fannie Mae. Again, we
11 still see-- may still see a problem with the non-residential, but the residential should pick
12 up on that. On the other taxes, again, we're-- we probably won't see a recovery in the
13 hotel/motel tax until the economy really goes full speed. Investment income, again, that's
14 a pullback from the baseline of this year. Again, we're assuming the rates are going to
15 hold around-- maybe up to 1%, which is probably the lowest we've seen in a long time.
16 Again, I just want to highlight some of the points about the income tax, and I think we
17 mentioned them last time. The data for tax year 2008 is down 11%, and we have a chart
18 here-- if we could go to the next chart, please. Next one. I'm going to just run through
19 some of these charts, if you don't mind. If we go to chart 11, we show that the total income
20 tax revenues, withholding, and estimated payments-- we can see that that declined for '08.
21 Now, it's not completed. We get one more distribution in January. It's down 11%. That's
22 the biggest drop we've seen in 25 years. Next slide, please. You can see the bigger-- the
23 larger drop was in '01, which is 2001, which was the last recession, which is not-- was not
24 as significant as this one. But again, this is the largest drop that we've seen, so we
25 anticipate that that drop may continue into '11 because the employment situation not
26 recovering dramatically. But again, the stock market has improved, and we'll see how that
27 will play out for Fiscal '11. This shows you the-- the distributions that we get in September,
28 November, and January combined. This is basically the late filers or the October 15 filers
29 and also the adjustments to the distribution, and this shows you that we've seen a decline
30 in FY09. In FY10, we expect a 63% drop, which I thought was rather challenging, and
31 then we come in and we have a 93% drop. What that shows you is the significant impact,
32 and that's attributed to a couple of things. Other than the stock market, we're starting to
33 see data on the million-- millionaires, that the number of filers that have adjusted gross
34 income in this County of 500,000 have dropped about 23%. So that had a significant
35 impact when we looked at the November distribution, because of that change in the
36 number of-- that income class. The unemployment rate. Yesterday, the Department of
37 Labor for Maryland, Labor, Licensing and Regulation, came out with the unemployment
38 rate for October, and it went up a little tick to 5.4%. As you can see from the chart, it looks
39 like it's-- you know, this is not-- if there's any good news here, it looks like it's holding
40 around 5.3, 5.4, 5.5%. That's the unem-- that's the one we came out-- that's the new one.
41 That's the one we-- yeah. That's data that came out yesterday. Now, number of employ--

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1 the number of people employed based on the survey of labor force has dropped 14,000
2 from October of last year. So that means there are 14,000 people less employed in
3 October than there were in October of last year. Again, that has an impact when we talk
4 about the income tax situation. OK? Again, as related to the property tax, the inflation rate
5 right now is running a little bit negative, but we-- it may end up zero percent for the year,
6 which will have an effect on the Charter Limit calculation, regardless if you use the rate cut
7 or the credit. Also, the reassessments, we've got some verbal discussions with our good
8 friends at F-STAT. Now, the official numbers won't come out until end of December or
9 early January on Group 1, and we're looking at a 14% decline in residential property but a
10 slight increase in commercial property. Now, the 14% follows a 16% decline for the Group
11 3, so we see, basically, depending on what's going to happen the year after, we'll probably
12 see another decline, which means by the end of 3 years, all-- all that homestead tax credit
13 probably will be evaporated. On the transfer recordation tax, let me just go through some
14 highlights. Again, about the home sales, because of the first-time homebuyers credit,
15 we're seeing about a 13%-20% increase in home sales since-- since March. We expect
16 that rate not to accelerate any further. We expect home prices still to decline through this
17 calendar year, but next year, we'll probably see home prices increase about 5%. Again,
18 just to go back to the point about the non-residential side-- that's the other shoe to drop,
19 and I think that's going to have a drag on the recordation and transfer taxes through FY10-
20 11. These are just some charts that we provided just to give you information on how we
21 look at our long-term forecast. This upper left hand is the number of residential transfers
22 that we estimate for up through FY16, and basically when we get out after 2 years, we just
23 take an average. We look at the historical trend of about 15,000 transfers and use that as
24 our benchmark. On the upper right-hand corner, we look at the fact-- because of home
25 prices increasing, we probably see the average price increasing steadily a couple of
26 percentage points a year. The bottom 2 charts show you our assumptions on the non-
27 residential, and you can see the dramatic drop that we've had on residential transfers and,
28 again, on the average tax, will have an effect. And you can see that that's really volatile. If
29 you look at the bottom right-hand chart, you can see a big spike that one year, and if we
30 get one or two projects that are rather dramatic in terms of the taxes, that can have an
31 effect. That's hard to estimate what type of projects would come in like that, but that
32 certainly helps out on the transfer recordation tax, as well. So essentially, we expect the
33 Federal Reserve not to raise those interest rates through the remainder of this year and
34 certainly through the first half of next year, and because of that, we're looking at a
35 drawback on our investment income. Thank you.



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1 COUNCIL PRESIDENT FLOREEN:

2 Well. Thank you, Mr. Platt. We do not have this information in our packet? Did I hear that?

4 STEPHEN FARBER:

5 No. It came in after the packet was distributed yesterday, but we will make it available to
6 you.

8 COUNCIL PRESIDENT FLOREEN:

9 If you could be kind enough to provide us all with copies of that. Well, there we go. OK. I'd
10 like to invite Mr. Hourigan from the Hard Times Cafe and Mr. Robertson from Adventist
11 HealthCare and the County Chamber to take a few minutes. Oh, were there questions for
12 Mr. Platt?

14 COUNCILMEMBER KNAPP:

15 Are we getting an update from Jennifer?

17 COUNCIL PRESIDENT FLOREEN:

18 We will.

20 COUNCILMEMBER KNAPP:

21 OK.

23 COUNCIL PRESIDENT FLOREEN:

24 Yeah. Thank you for joining us. Mr. Hourigan, you want to share with us how things are
25 going for you?

27 GREG HOURIGAN:

28 I will, Nancy, but by the way, you stole my thunder on the whole "Hard Times Cafe" thing.
29 Thanks. Well, good afternoon. My name is Greg Hourigan. I'm the owner of the Hard
30 Times Cafe. We are in the heart of the Woodmont triangle in downtown Bethesda. I'm a
31 single franchise owner of this concept, and we do not have any of the financial backing of
32 a large corporation. I am, in every way, a small business owner. Lifelong resident of
33 Montgomery County. Graduated from Walter Johnson High School. I am a past member
34 of the board of directors of the Greater Bethesda-Chevy Chase Chamber of Commerce--
35 served on that board for many years. I'm also past president of the Montgomery County
36 Restaurant Association, and I served on the state Board of the Restaurant Association of
37 Maryland, so very familiar with my industry and small business in general. Over the years,
38 my business and I have been and continue to be active participants in our community,
39 with programs and events that benefit less advantaged people, as you often see us doing
40 fundraisers and donating a certain percentage of our income for that particular night. And I
41 know, Roger, you know all about the stuff we do, so... As a restaurant owner who has



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1 been in operation for 11 years, I can attest to how difficult it is to try to stay in business, let
2 alone operate in the black. It's just always a constant battle to make payroll, pay the rent,
3 pay the bills, keep the doors open, and of course we do all that before we pay ourselves. I
4 love this-- the term cash register hugger, and it's very true. It was coined a few years ago
5 by Kevin Maloney, who is a past chair of our Chamber of Commerce in Bethesda, and
6 what it refers to is-- and it applies more today than ever-- is to those small businesses, at
7 the end of the day, kind of put their arms around their cash register and see what bills
8 they'll be able to pay the next morning, and it's just so true. Don't get me wrong-- I love
9 what I do. I love being in the restaurant business, love being in Bethesda and Montgomery
10 County, and as I like to joke with everybody, it doesn't really matter because I'm-- you
11 know, I'm really too stupid to do anything else anyway. I mean, who-- who other than me
12 would try to sell chili in July when it's 95 degrees? So... Anyway, this summer was-- was
13 my worst. We just finished paying back rent for 2 of the summer months that we missed.
14 Fortunately, our autumn was very good. It enabled us to do that. But income was just not
15 meeting expenses. That's just what we got right now. And when you're sidelined by
16 government entities that won't take-- wait a few months for an answer, it makes it even
17 more difficult. I spent my-- I spent my Wednesday before Thanksgiving at the County
18 courthouse because we had a hearing, and I had to tell the judge that yes indeed I would
19 make up my second month's rent that I was behind on, and that they would not have to
20 continue to go through with an eviction notice. So this, ladies and gentlemen, is real world
21 of small businesses. It really is. And it's an everyday occurrence. It's not just me. It's-- it's
22 going on a lot. We've all heard, and we just-- we just watched a little bit of it, of the dire
23 economic situation that our local and state governments are finding themselves in right
24 now. I'm here to tell you that our local small businesses are no different, except we-- we
25 really don't have the luxury of trying to come up with new taxes or fees or anything like
26 that to pay our bills. All we can do is raise our prices, and we shudder to do that in this
27 economy. We need people in our building, and that's not the way to do it. So we are
28 finding ourselves the target of these legislations and regulations. It's just making it very
29 tough. For example, normal types of oversight a restaurant has to endure and licenses we
30 need to pay for include inspections and resultant fees and sometimes fines, with WSSC,
31 Health and Human Services, liquor control, fire and rescue, ASCAP, you know, and all
32 these people are doing their jobs. We understand that. But it is a collective thing. And I'm
33 a sportscaster; I like to use sports analogies. People in my industry and in small business
34 in general-- because I deal with a lot of people outside the restaurant business, being
35 involved with the Chamber as I am-- sometimes collectively, we just want to stand up and
36 throw our arms out and try and find somebody that will call a 15-yard penalty for piling on.
37 And that's kind of what we feel like an awful lot. Whether it is nutrition labeling legislation
38 or increased fees to pay for increased inspections, the County needs to stop and take a
39 serious look at those that you're already regulating. Look at the impact, please, that your
40 legislation and your regulations have on those companies before that legislation is
41 developed or enacted. You know, and I think whether we believe it or not, the current

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1 County Council and-- and Montgomery County government in general seem to have an
2 incredible anti-business reputation. We need to grow businesses, help small businesses
3 in this County, not add more regulations and fees and fines. And I'm one of the lucky
4 ones. I've been around for 11 years. That's pretty good. But there's a lot of great
5 restaurants and small businesses who have really hard-working, very good business
6 minds that have not made it, and the pressure of staying in business is very tough right
7 now. So now is the time to look at our community to see where we can help, not look to
8 businesses as a means to find more financing for our budget deficits. As my friend Andy
9 Stern said to you all a few months ago-- and I say it all the time, too-- we're not the bad
10 guys. We're just as much a part of the community as a homeowner, as you, as you, as all
11 of you-- as a fireman or a teacher-- and, you know, without a healthy and vibrant business
12 community, we will-- we will never be able to continue to be the great place to live and
13 raise a family that it is today. And I'll just-- I'll finish one little sidelight. Have a friend of
14 mine who is interested in opening up another restaurant, and he has a good concept--
15 wants me to be his partner. And we're looking at a bunch of different places. We were
16 looking at Olney and a couple of other places, and I, myself, and Jeff Sears, we're looking
17 at other jurisdictions. And I love it here, love it, love where I live, would never move, grew
18 up here. Nobody likes where we are more than me. And when somebody like me starts to
19 think like that, I think we're all in a little bit of trouble. So, thank you.

20
21 COUNCIL PRESIDENT FLOREEN:

22 Well, thank you for sharing your reality with us, Mr. Hourigan.

23
24 GREG HOURIGAN:

25 You're welcome.

26
27 COUNCIL PRESIDENT FLOREEN:

28 Mr. Robertson, would you share with us a few words of observation from your standpoint?

29
30 WILLIAM

31
32 ROBERTSON:

33 Well, good afternoon, Council President Floreen, and congratulations, and good afternoon
34 to all of you who are members of the County Council. My name is Bill Robertson, and it is
35 my privilege to serve as the president and CEO of Adventist HealthCare. And like
36 organizations, and just as we've heard, this current economic environment is impacting
37 businesses, government, and nonprofits, and Adventist HealthCare is not immune from
38 that impact. But we have been serving in this community for a hundred years, so as we
39 look at the impact of the current economic environment, we put it in the context of a
40 hundred years of service. So over the last hundred years, we lived through some high
41 times in the early 20th century, we lived through World War I and a pandemic flu, the



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1 Roaring Twenties, lived through the Great Depression and World War II, Korea, Vietnam.
2 We lived through Watergate and Woodstock. We lived through the gas crisis in the
3 seventies, and we lived through hyper-inflation in the eighties.

4
5 COUNCIL PRESIDENT FLOREEN:

6 I thought you were younger than this.

7
8 WILLIAM ROBERTSON:

9 We, not me. We lived through the recession of the nineties, we lived through 9/11 and
10 anthrax, and we lived through the sniper. And during all of this, Adventist HealthCare has
11 continued to grow and expand to meet the needs of the community. So in that context, we
12 know that the current is just that-- it's the current, and there is a future, but we've lived
13 through this with 3 things that keep us going. One is our enduring commitment to the
14 mission that we have of providing healthcare. The second one is that we are committed to
15 this community. We live here. This is the community we serve. And the third is that we
16 have had confidence that this community has a bright future. So those all keep us going.
17 Now, we are impacted by the economy as it has changed, and there's 3 areas that briefly
18 I'd like to mention that have-- we've been impacted in this current economy. The first is
19 that there is a growing shortage of healthcare workforce, and we are impacted by that.
20 And one of the big challenges that we have is that our workforce cannot afford to live and
21 buy houses in Montgomery County. So what are they faced with? Long commutes from
22 distant places-- Pennsylvania, West Virginia, Hagerstown. They commute long distances
23 into the community. That is a significant challenge for us from a workforce perspective,
24 and clearly a cost perspective for our employees. The second one is that there is rising
25 unemployment in our community, and that affects the number of people who have health
26 insurance coverage. And we have seen a growing trend, for not just the last year and a
27 half, but for the last decade, of growing challenges in this regard. Last year, 2008, we
28 provided \$51 million worth of uncompensated care to our community, and we expect to
29 provide more this-- this current-- excuse me-- this current year. And of course, we have a
30 changing community. The diversity in this community is wonderful, and it has changed a
31 lot of what we have to deal with, though, in the care we provide. We have language issues
32 we must deal with and are committed to dealing with. We have cultural competence we
33 have to deal with, and in an era of constrained resources, this does change how we have
34 to approach our community. But with all of these challenges, it isn't the current economics
35 or those challenges that give us most concern. It is the long-term trend of this community
36 as a vibrant place to live and to work. And so that is what I want to focus on, just for a few
37 minutes, as we look to the future. Now, you know, you're familiar in this holiday season of
38 Dickens' famous tale, "A Christmas Carol." He had a past, a present, and a future, and a
39 choice to make, and I would suggest that Montgomery County has all of those things. Our
40 past-- we were a bedroom community. We were lucky to be next to the District of
41 Columbia, and we benefited by the growth in the federal government since World War II.



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1 We also benefited by the development of the Beltway and Metro and I-270, and we
2 benefitted by leadership out of both the County and business communities that saw the
3 knowledge industry as a place to invest, particularly in biosciences. Of course, we have a
4 present. We have tremendous assets in this community. But we also have been a
5 community that was complacent about our place in the state, in the region, and in the
6 nation. And we have had-- we have some very interesting disconnects between our
7 perception of ourselves and our reality of ourselves. Thomas Friedman in his book talks
8 about being globally competitive, and when we compare ourselves not globally, but just
9 locally, in our region, we are falling behind from a competitive perspective. Give you a
10 couple of points to illustrate. Over the last 8 years-- this is publicly available information--
11 the population in Montgomery County grew 56,000. Now, that's not a very fast growth.
12 The population of Fairfax County grew by 31,000, but our employment in Montgomery
13 County grew by only 7,800, and Fairfax grew by 43,000 jobs. That's a huge disparity. No
14 wonder our roads are jammed with people. They're driving to Northern Virginia to work.
15 Significant challenge for us as a community. And our wages-- total payroll-- are not
16 keeping up in this community with other regions in the-- other regions in-- or districts in our
17 region. And when you look at the size of government, just comparing Fairfax County--
18 similar population size-- to Montgomery County, we spend \$700 million more in County
19 government in Montgomery County than is spent in Fairfax County. And you might think
20 it's because we spend more on education, but that's not true. They actually spend, in
21 aggregate dollars, more on education in Fairfax County-- a little less per student, but with
22 as good or better outcomes for their students in terms of AP scores, SAT scores, and the
23 like. And of course, our Shady Grove Life Sciences Center, which was an innovative place
24 in the past, is no longer an innovative place in terms of it's one of-- it's now one of many,
25 and it's sliding down the list of the top centers in the nation. So we have a future. It's a
26 future to decide. It's open for us to decide. I'd suggest that we have to, as a County, make
27 sustainable economic vitality our main priority because everything else hinges on having a
28 sustainable economy. Just listen to what we heard this morning and look at what's
29 happened to the programs of the County when the tax base goes away, when our
30 economy erodes. And I'd like to suggest there's an acronym to keep in mind. It's a very
31 simple one. It's AART-- A-A-R-T. It has nothing to do with retirement. The first "A" is for
32 attitude. We need a new attitude in this community towards business. We need to think of
33 business in a way that a thriving commerce and business success is, in and of itself, a
34 social good, that it is something that is vital to the long-term success of our community.
35 And we need a new approach. We need to see that building business and bringing
36 business to our community is our core-- is our core-- is a core challenge for us. We need
37 to take new ideas, use TIF financing. We need to look at transportation differently. The
38 rapid transit ideas that Councilmember Erlich is talking about is very interesting for us to
39 consider. We need to reduce the size of government and the impact it has and make it
40 more nimble so that it can be responsive, and we need to be looking at how we engage
41 the GSA on keeping government that is housed in our County here. Regulation is the "R."



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1 We need to reduce the footprint of regulation. Regulation is actually a burden and a
2 barrier, and at some point, it becomes too difficult for businesses to be sustainable. You
3 know, one of the challenges is, we focus on affordable housing, and rightly so. We also
4 need to focus on being affordable for business to do business in Montgomery County. And
5 the last one, which isn't necessarily managed here at this level in government, is, we need
6 a stable corporate tax environment, because it is not stable in Maryland. It changes on a
7 regular basis. As Rahm Emanuel said so succinctly, you know, "Never waste a good
8 crisis." And we have an opportunity to not waste this crisis that we're facing. Maybe when
9 we were fat and happy, with low unemployment and rising house prices and tax dollars
10 rolling in and business growth without effort, maybe we had the luxury to see business as
11 maybe a necessary evil, but no more. We have to see business as the goose that is laying
12 the golden egg for Montgomery County. So I would suggest that we have a choice. It's
13 going to take courage and tenacity, it's going to take a lot of hard work, but we can
14 continue to be the community we want to be by changing the way we approach our
15 community with a different AART-- a new approach, a new attitude, different regulations,
16 and new taxes. There's a great little poem that says it very well. It says every morning in
17 Africa, a gazelle wakes up. It knows that it must run faster than the fastest lion, or it will be
18 killed. Every morning, a lion wakes up. It knows that it must outrun the slowest gazelle, or
19 it will starve to death. It doesn't matter whether you are a lion or a gazelle. When the sun
20 comes up, you'd better be running. And the sun is coming up.

21
22 COUNCIL PRESIDENT FLOREEN:

23 Well, thank you, Mr. Robertson. A few questions or comments for our speakers. First Mr.
24 Knapp-- no, Mr. Leventhal.

25
26 COUNCILMEMBER LEVENTHAL:

27 Well, Bill Robertson, thank you very much. I want to certainly thank the Adventist
28 HealthCare system for all of the help that it provides, as government, sadly, has to scale
29 back, for our safety net, for healthcare for the uninsured. Our private hospitals are very,
30 very important pillars in service delivery, and they extend our reach well beyond what
31 County government has been able to afford to do in the past, and certainly, given the
32 constraints we're facing, what we're going to be able to do in the future. And I appreciate
33 the message that you delivered today. I do think that jobs need to be job one for the
34 County Council. I do believe that the County Council is hearing your message. There are
35 things that are beyond our control. We can't do much about the credit crunch. We really
36 can't do anything about globalization of industry. We can't do really anything about the
37 United States' trade deficit or the value of the dollar. There are some macro factors that
38 are causing the economic downturn that we can't do much about. But there are things that
39 we can do, and one of the most important things we're going to be doing in the next
40 several months is appointing a new member and new chairman of the Planning
41 Commission, and clearly, what the Planning Commission's role is is critically important,



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1 both in terms of shaping the vision that we look forward to in the decades to come, but
2 also in granting approvals for those employers who may want to locate or expand here in
3 Montgomery County. So very much on my mind, as I'm interviewing applicants for the
4 position of Planning commissioner and Planning Board chairman, is going to be exactly
5 what you said-- are we going to look-- are we going to increase our efforts to attract
6 investment, rather than beat it off and beat it away to-- which unfortunately has occurred
7 recently. There have been employers who were interested in locating in Montgomery
8 County, and currently there are employers who are considering whether or not they want
9 to stay in Montgomery County, and we need our Planning Board to be an ally with our
10 Economic Development Department, whose director is here the audience, and not an
11 adversary to business. That's meant to criticize the Planning Board, but I'm looking ahead,
12 as you urged us to do, thinking about the future, and very much on the minds of this new
13 Council and during our new Council President's term should be, what are the
14 qualifications and what are the priorities of the new members of the Planning Board and
15 certainly the new chairman. So that's much on my mind. I also want to say that I'm looking
16 forward to the result of a study that I've asked OLO to do for us which compares some of
17 the basics of Montgomery County and Fairfax County's tax base, the size of its budget, its
18 budget priorities, its efforts to attract business. We-- we hear a lot-- and you've made
19 some here this morning-- about comparisons of these 2 large counties on opposite sides
20 of the river, and I've asked OLO to look into that, and that project is well underway. So we
21 should have some real data that will enable us to make some apples-to-apples
22 comparisons in-- in the coming months.

23
24 COUNCIL PRESIDENT FLOREEN:

25 Thank you, Mr. Leventhal. Mr. Knapp.

26
27 COUNCILMEMBER KNAPP:

28 Thank you, Mr. Pres-- Madam President. I was struck by the remarks of each of you, and I
29 know most of you were in the audience when Miss Ervin gave her remarks earlier this
30 morning, but I was-- I think it's worth repeating them. She quotes from a book-- the book
31 "The Price of Government," which I'm sure many of you read-- out a few years ago-- and
32 the quote read, "The usual political way to handle a projected deficit is to take last year's
33 budget and cut. It's like taking last year's family car and reducing its weight with a
34 blowtorch and shears. But cutting \$2 billion from this vehicle doesn't make it a compact. It
35 makes it a wreck. What is wanted is a budget designed from the ground up." We have to
36 start thinking about doing things differently, and to your point that we can't waste a good
37 crisis, I think we're going to have to think about how we structure of our budget differently
38 and think about the assumptions that go into that, because-- you know, one of the issues
39 that people are struggling with right now is this issue of code enforcement with the fire
40 marshal. Well, that's not a new issue. This has actually been out there for 4 or 5 years.
41 The reality is that when the issue was presented to the Council, that this was something

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1 that was supposed to be revenue-neutral at a point in time. For a variety of reasons, much
2 of which were very valid, this didn't occur the way that they had hoped, but the cost-
3 neutrality piece from their department was never modified, and so the only thing they
4 could do from a middle-management perspective was to keep trying to generate more
5 revenue, and so they went out and tried to do more stuff. But if we recognize the fiscal
6 realities that people were facing, the conversation should have been, from management
7 down to the folks at code enforcement, to say, "You know what? This didn't work the way
8 people had hoped, and we're going to have to redo this, and your job isn't to go out there
9 and make business more difficult, but to work with people, and we'll have to figure out how
10 to restructure the financing of this, because it didn't go the way we wanted." That wasn't
11 what occurred, and so now, we're now addressing this issue-- somewhat belatedly-- but
12 fortunately, now everyone is paying attention to this. We've got to think about how we
13 operate differently, and we've got to structure the assumptions that go into our budget
14 differently, so I appreciate the recognition that you presented to us. Mr. Leventhal touched
15 on this a little bit. There are certain things that aren't in our control. We can always kind of
16 wash our hands and wring our hands and say, "Oh, my goodness." But the reality is, we
17 do have assets here that are fairly untapped, and we can wait for the economy to get
18 better, as it will someday-- as you said, there are various trends and tides, and it will
19 improve here-- but it should-- we should be a place that excels and that looks to excel.
20 And we need to be able to position ourselves to take advantage of those assets so as the
21 economy comes back, we're not riding in the wave, we're riding on top of the wave. We
22 can't make markets. We're government. I'm a firm believer that innovation and markets
23 drive-- you know, the private sector drives these activities. We can help it or we can hinder
24 it, but we're not going to create it. And so I guess the question I have to our 2 private
25 sector folks is, what-- how is the best way for us, as your government, to work with you, as
26 the private sector and the place of innovation, to identify real and tangible activities that
27 we can undertake-- not things that we put out there that are feel-good measures in an
28 election year or not things that put out there that are sometimes challenging because
29 they're just not practical, but that we actually sit down and come up with a mechanism that
30 allows us to identify those things that can be real and tangible that can spark that
31 innovative engine, which will then help our economy to grow, as opposed to coming up
32 with those things that stifle. Do you have any ideas as to how we can come up with a
33 mechanism to better identify a strategy? We've got 12-18 months to really do something
34 and do it well, but we've got to start now. What is the best way, from your perspective as
35 folks in the private sector, to do that and do it in a way that will work?

36
37 WILLIAM ROBERTSON:

38 I think that we sometimes don't realize how-- how difficult a highly regulated environment
39 is to be successful in. When I first moved here, someone named Capers McDonald, who
40 most of you will know, was talking to me, and he said, "You know, if I were going to tell
41 you how to be successful here, you need to get a good lawyer who's an insider and a



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1 good land-use attorney, because you can't make it if you're an outsider." A highly
2 regulated environment creates a very political environment to get anything done. So I
3 think one of the first things that the County-- which is within control of the County, is to
4 take a look at what is the various regulatory burdens placed in front of getting a business
5 started, whether it's a business that exists and wants to expand or a business that isn't in
6 this area, and see how you can shorten the time and the dollars necessary to get there,
7 because that's one of the very interesting challenges here. In a competitive environment,
8 time is-- is a competitive asset, and so if it takes 2 years to get it started here and a year
9 in Fairfax County, it's going to get started in Fairfax County, even if the cost is the same,
10 and the cost of living here is pretty much the same. So I think those types of things-- how
11 you speed up a regulatory process, how you make it more predictable, how you reduce
12 the cost of it. How do you reduce the burdens of getting into the game? It's not just being
13 in the game, but getting into the game, is a huge place to start. Another place to start
14 would-- and I know we don't manage the corporate tax environment of the State of
15 Maryland. That's at the state. But if Montgomery County as a county went to state and
16 said, "We'd like for the state to consider a different way of creating a stable tax
17 environment for corporate," do you think the state would take a look-- would listen to us?
18 We'll, we're just the biggest county in the state. Of course, we are Montgomery County,
19 but--

20
21 COUNCILMEMBER KNAPP:

22 I was going to say, we haven't got great attention thus far, but we're working on it.

23
24 WILLIAM ROBERTSON:

25 But-- but I would guess that we would not be the only county that would be interested in
26 that kind of approach. Another way to actually flex who we are as a County relative to the
27 environment within which we live that you don't necessarily control, but you can influence.
28 Those are 2 simple ways we could-- they're not simple, but they're obvious ways, I think,
29 that we could at least consider having conversation around that. There are some other
30 things. I think that the conversation about how we-- how we deal with rapid transit in this
31 community is a really fascinating concept. I've talked to Marc about some of these things.
32 It's a really interesting idea. I don't know if it works, but it makes a lot of sense. How do we
33 capitalize on that kind of new thinking in the County? Because let's face it-- it's not
34 sustainable how we sit on the roads today. And we are a drive-thru community in many
35 ways because people can't afford to live here, and rapid transit could make those who are
36 living here have a much better commute. Fourth item, and then I'll quit with that, is that
37 when we look at affordable housing, it's clearly an issue for my organization in substantial
38 ways, at every level. When I try to recruit someone from the Midwest to here, I can't give
39 him a big enough raise to make the housing cost here acceptable. It's just-- it's a huge
40 challenge. So affordable housing is a challenge across all spectra, all levels of the
41 population. The way we do affordable housing here is very difficult. Some projects are not

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1 built around the idea that you're going to have MPDU housing next door to \$2 million
2 condos. It just doesn't work. We should look at how-- how they do it on-- say the ICC with
3 the trees. They didn't ask us to build the-- put the trees in the middle of the ICC. They
4 said, "Go plant trees equivalent to 120% of what you cut down someplace else." There are
5 those kind of opportunities. It's an interesting way to create what we want at probably a
6 lower cost and a more acceptable structure for those who would be living in those houses.

7
8 COUNCILMEMBER KNAPP:

9 I appreciate that, especially your last one, and actually the PHED Committee is looking to
10 try to come up with a more effective way to do affordable housing than just impose a
11 series of requirements on the builder. But actually that-- but it raises a very good point.
12 The challenge that we've had is, we have a portion of our government that's saying, "Well,
13 we don't believe the numbers from the private sector." We have the private sector saying,
14 "Well, we can't do the things that they're asking us of." And we still haven't had a
15 conversation yet from either side which has allowed us to get down to the practical
16 numbers of what is doable. And so-- we got close in our last PHED Committee meeting,
17 and we have the right people at the table, but the challenge is to us now is to actually be--
18 have the private sector and the public sector willing to engage in a real dialogue so we
19 can come up with a real answer, because I think there's a recognition on the part of the
20 committee-- and I assume by the full Council, ultimately-- to do it differently in a way that's
21 more efficient, but I've got to be able to create an environment that allows the public
22 sector and the private sector to sit in a room and work through some of these issues. And
23 that's kind of the bigger picture I want to kind of try to get us to think about because that's
24 where we're ultimately going to be effective, is we've got to get back to the same team
25 and working together to solve the problems. And so I think-- it's not enough, I think, for us
26 to ask a question and somebody to lob something over and say, "Fix this." We've got to
27 come up with a mechanism that allows us to work together and know that we're making
28 improvements. And so I appreciate your responses, and I hope we can continue to work
29 on a mechanism that will allow us to identify real and tangible programs and projects that
30 we can reach successful conclusions on, but we've got to come up with kind of that
31 procedural mechanism that allows us to keep that as a weekly, monthly dialogue, as
32 opposed to kind of these point interjections. Thanks.

33
34 COUNCIL PRESIDENT FLOREEN:

35 Thank you. Well, Mr. Knapp, we've engendered some more comments here.

36
37 COUNCILMEMBER KNAPP:

38 Sorry.

39
40 COUNCIL PRESIDENT FLOREEN:

41 No, that's great. Councilmember Ervin.

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1
2 COUNCIL VICE PRESIDENT ERVIN:

3 I just want to thank Mr. Hourigan. Am I pronouncing your name correctly? And Mr.
4 Robertson, who we all know very well. And the last time this panel met, Mr. Stern came
5 and-- and gave us comments, and I thought they were very sobering and necessary for us
6 to hear from you regularly like this. It's very important. I can only say to Mr. Hourigan that I
7 wish you were here when we were taking up the bill on the-- on the menu labeling, the
8 restaurant menu labeling, because what we forget a lot of times at this dais, that the
9 regulations that we vote for actually have direct impact to not large corporations, but
10 people who live in our neighborhoods and in our communities who sometimes are our
11 friends and we know them. And so you sort of break down that barrier when you come
12 and you talk to us about how this directly impacts your ability to run your business, to keep
13 employees employed, and to continue to provide a good product. And so I think these
14 conversations are extremely important, and I'm gratified that you were here to let us hear
15 from you. Even though there's a federal bill, apparently, that's going to pass at some
16 point-- maybe-- we went ahead and did this, and some of us grappled with why we were
17 going to go ahead and do it anyway. I think that our intentions are all good on this dais,
18 but a lot of times, good intentions have very negative consequences for real people. My
19 question has to do right now with the unemployment rate in Montgomery County and how
20 much of that-- of those 14,000 individuals between last October and this October were
21 employees of local small businesses, because I think that's a really important thing for us
22 to understand. We have some pretty large employers here in Montgomery County, but I
23 would just venture a guess that a lot of the people who are losing work are probably
24 coming from the private sector, and most likely from local small business. So if there is
25 any way to help us get a handle on what that number looks like, it would be very helpful.
26 And for-- Bill, before I stop talking, because I keep remembering the card that George has
27 that says know when to stop, and I just want to say thank you for all that you're doing on
28 behalf of all the uninsured residents, and that's a growing number of people, and your
29 organization has always been there on the-- on the forefront of your mission to do exactly
30 that. And so congratulations for being here on behalf of all those providing essential
31 services in Montgomery County, so thank you both very much.

32
33 COUNCIL PRESIDENT FLOREEN:

34 Thank you, Councilmember Elrich-- Councilmember Ervin. Councilmember Elrich.

35
36 COUNCILMEMBER ELRICH:

37 Let's see. A couple of things I want to say. First, Bill, I'm going to let you go for not getting
38 my name right. Sooner or later, this will happen, but it's OK. I'm used to it.

39
40 COUNCIL PRESIDENT FLOREEN:

41 We're going to have to have a big card.

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1
2 COUNCILMEMBER ELRICH:

3 A phonetic pronunciation in front of-- in front my name to help. Prompts and stuff like that.

4
5 COUNCIL PRESIDENT FLOREEN:

6 We'll put it-- tape it to the table.

7
8 COUNCILMEMBER TRACHTENBERG:

9 A sign that you can put up, Marc.

10
11 COUNCILMEMBER ELRICH:

12 But I want to talk about some of the stuff that you guys raised today, because I think it's
13 really important to have this discussion. I'm-- I have no inherent opposition to regulations
14 because a lot of regulations are there to protect the health, safety, and welfare of the
15 community. I mean, the motivation behind the menu labeling bill was to try to deal with an
16 obesity problem in the community. That's a real thing. That affects healthcare and all the
17 other things you do and drives people unnecessarily to use health services that they
18 wouldn't otherwise have to use. It has an impact, perhaps, on the restaurant owner who
19 has got to make up a new label, but there's a balancing of interests that usually and is
20 supposed to take place when people look at regulations, and I don't think we should forget
21 that in most of the regulations-- the fire safety regulations, I mean, I think they said they
22 were getting-- was it 95% or 100% of the buildings they inspected had violations? And
23 some of the violations were serious. We're talking about standpipes with no water
24 pressure. We're talking about businesses with locked escape doors. We're not talking
25 about trivial stuff. We're talking about things that if a fire broke out and something
26 happened, things could go very, very bad, and a lot of people could get seriously hurt. So
27 it's not like that regulation and this desire to do the fire inspections was born out of any
28 malicious intent to figure out how to lard expenses onto the business community, and the
29 expenses that are associated with that are to pay for the inspectors. They're not meant to
30 provide general revenues for the County to spend on other things. I mean, I could say,
31 you know, it would be a lot simpler if everybody, you know, maintained their sprinkler
32 systems and didn't lock doors, and, you know, we were in an environment where
33 everything was complied with. Then you wouldn't need as many inspectors. But the fact
34 that these guys are going out and hitting on almost a 100% rate of non-compliance-- that's
35 a problem. And so how do we deal with that? How do we go-- how do we get to an
36 environment where we don't have to do the kind of actions that we find ourselves doing? I
37 find that difficult in balancing this. I mean, I think what the fire department tried to do was a
38 good thing. Whether they got the estimates wrong on the cost, I don't know. I think we
39 need more than a generic discussion about what happens in the regulation environment,
40 and I think we've all heard the horror stories of what it takes to open up a business, and
41 the fact that you're in compliance one day and somebody comes in and opens up a new



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1 business the next day, and then they apply the rules that were passed in 2009, that are
2 different than the rules that existed in 2008, and if your bathroom is slightly the wrong size
3 or, you know, the handle is the wrong place, then all the sudden, you're faced with
4 enormous bills to bring yourself into compliance with the very, very latest standards. And I
5 think there has to be some kind of common-sense application about when is enough and
6 what gets the job done and why is it OK for a building that got its license in 2006 to
7 operate this way, but if you open your business in 2010, you have to do all kinds of brand-
8 new things on something that was already obviously working. And I think, though, that we
9 need-- and we need to figure out how to have the format for that because Council
10 committees are not the format for it, but a real sit-down discussion, department by
11 department, about what regulations there are, what's necessary and what's not
12 necessary, and how we can maybe find ways around our current process that would get
13 us out of being so much, for lack of a better word, in the police business-- which is a lot of,
14 frankly, what regulation is. You're policing the private sector to make sure that things are
15 complied with. It would be nice to not have to do that. It would save you money, and it
16 would save the County government money. I think there's a real commitment on the
17 PHED Committee to look at the development approval process. All of us agree that it
18 takes too long. When somebody tells you they're still in the fifth or sixth year of
19 development approval for basically a residential subdivision, that's a problem. When
20 somebody says, "I started in the process, and I think I'm through, and then somebody who
21 previously approved what I did no longer approves it because I had to do something for
22 another agency, and doing something for another agency leads Park and Planning to
23 come back and reject what was OK just a few months ago," that's a problem. And so I
24 think all of us are committed to looking at, how do we deal with the approval process. And
25 I get that an approval process of 2 years is real different an approval process of 5 years,
26 where you're paying taxes and interest on your property and getting absolutely no
27 economic value out of the property during that interim. It doesn't serve us, and it doesn't
28 serve the business community. And I really do think there's a commitment on the PHED
29 Committee, and I'm sure on the Council, to look at things like that. I appreciate your call
30 for a stable tax environment, but you know, the states-- I mean, the state is basically
31 sucking wind on the budget, and even before things went down-- I think Miss Floreen
32 would be happy to tell you, because this isn't a new song for her-- where's the money in
33 the state budget for transportation? We can say where's the money in the state budget for
34 school construction? Where's the money in the state budget for social services? I mean,
35 even when things were healthy and you're in a state with the highest income and, you
36 know, great economics on the surface, the state didn't have the revenues. So the
37 conversation with the state is not just, "Can you give me a stable tax environment," but, "I
38 need a stable-- the state needs a stable and adequate revenue environment." I could give
39 you a stable tax environment. It doesn't solve any of the problems that, you know, Nancy
40 and others have identified as shortcomings to what the state is able to do or not do. And if
41 the answer is that the business community pays less, the only other source of money are

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1 the residents of the state. It's not like we have a third magical way of bringing in revenues
2 in here, so again, this is a matter of balancing everybody's interest in this. So I think when
3 you have ideas for what stable looks like, it has to be also, how do we stabilize the state's
4 finances in a healthy way? You talked about affordable housing, and I'd say again, the
5 committee is looking really hard at making some changes at the requirements, and I think
6 that those are good things that we're looking at. And, you know, when a project doesn't
7 pencil out, it doesn't pencil out. No matter what the intentions are of the Council, you
8 cannot mandate producing something which no one will ever put a spade in the ground to
9 produce if the numbers are not there. I can't wish those numbers away. No matter how
10 much I want to see, you know, a certain amount of affordable housing, I cannot change
11 what it costs to buy the land, build the building, and finance it and still expect you all to
12 make a profit, which is something that people have a right to do. So this is really going to
13 be difficult, because we will make some changes, and I'm not sure if the results are good.
14 But your point about other places to locate it-- the problem in the County is the places with
15 the cheapest land are also places that probably have the lowest income concentrations in
16 the County, and one thing we need to avoid doing is creating high centers of low income.
17 That's not in anybody's interest to do that. And so, again, we've got to figure out a way to
18 produce more, but we've got to be really careful about where we do it. I mean, if we were--
19 if we were to target the cheapest land in the County, I think we'd find ourselves creating
20 other problems that have other costs, and we need to look at how all this, you know,
21 balances out. I think we need to basically figure out how to work together. I mean, there's--
22 - there is a climate-- and a long-term climate-- of somewhat distrust. I mean, I've been in
23 the County long enough to remember the business community was hostile to taxes and
24 hostile to fees, and, you know, we're looking at how we, you know, put the County
25 together and make it run, and it's hard to do in the absence of money. And I think that
26 there's more of a willingness to have a dialogue. Certainly, in the time I've been on the
27 Council, I've found the willingness to have a dialogue really interesting and really
28 refreshing, but it's-- we really have to make sure that we're focused on how are we going
29 to make this place work, and that at the end of the day, whatever changes we make, the
30 government has got to pencil out. I've got to be able to build the classrooms we need for
31 the kids in the schools. We need to figure out how to, you know, help you all provide
32 medical care. You all can't do it by yourselves. That's pretty clear. And we have a host of
33 other things. I mean, moving people around in transportation. I mean, one of my big
34 impetuses behind doing that was to look at how we could move people more effectively
35 and spend less people moving them so that the business community has a way of
36 growing without setting off battles in the communities that surround the most likely places
37 to want to have development. So I'm sensitive to trying to figure out a way out of this box,
38 but I don't think-- I don't think it's simple. And I think it's-- the Council in committee is not
39 the place-- is not ever going to be the place to try to do it. I think we're going to have to put
40 together some people to sit down and talk informally, talk without pressure, get the
41 Executive people involved, and really start looking at what we do, why we do it, and keep



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1 JOE BEACH:

2 Thank you. Good morning.

4 COUNCIL PRESIDENT FLOREEN:

5 Mr. Beach, you going to be the speaker?

7 JOE BEACH:

8 Yeah. Yes. I think Mr. Farber's addendum packet lays out the issues pretty well with the
9 Fiscal Plan update. The gap we now estimate for the FY11 budget is almost 610 million.
10 That's primarily a result of the write-down in revenues that Miss Barrett and Mr. Platt
11 discussed of close to 270 million. Also, I believe even more troubling, is now, for FY10,
12 we're projecting a current-year deficit of over 30 million.

14 COUNCIL PRESIDENT FLOREEN:

15 Excuse for just one minute, Mr. Beach. I was remiss in not taking a moment to thank Mr.
16 Robertson and Mr. Hourigan for sharing their views and their experiences with us. It's
17 really a very valuable effort, I think, to have this opportunity for a conversation. We will--
18 shall continue these, and we're very grateful to your work in the Chamber, bringing us the
19 big picture, as well, Mr. Robertson. So thank you very much. I know it's not easy. I'm
20 sorry, Mr. Beach. Go on.

22 JOE BEACH:

23 A couple of notes, though, on the underlying assumptions about the projected gap is, it is
24 based on an assumption of no tax increases for FY11.

26 COUNCIL PRESIDENT FLOREEN:

27 I think that's a good assumption.

29 JOE BEACH:

30 Staying, of course, within the Charter Limit on property taxes. And also it's based on-- the
31 FY11 expenditure estimates are not based on rate of growth. It's based on the major
32 known commitments. Basically, our compilation with the other agencies-- MCPS, Parks,
33 and College-- of obligations coming due for FY11-- things like pension cost increase,
34 group insurance cost increase, the cost of operating newly opened County facilities, that
35 sort of thing. Couple of other notes. On page 3 of Mr. Farber's packet, the addendum, he
36 does note some large but controversial steps we could take in FY11 to bring down the
37 gap. Obviously, the first 2 items would require sacrifice from County employees in terms
38 of eliminating the general wage adjustment and the step increases, though that would
39 provide long-term cost reductions for the County. If we did not pre-fund retiree health
40 insurance, that would be cost reduction, but a temporary cost reduction. The liability,
41 absent any adjustment in benefits, would remain. Reducing the reserves from 6% to 5%,

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1 as we did in the FY10 budget, just increases our risk going forward in FY11. And
2 eliminating PAYGO, of course, would, again, be temporarily reducing those expenditures,
3 but reducing the capacity in the capital program. Even with all of those measures, close to
4 300 million, we would still have a gap in FY11 of over 320 million which would primarily
5 have to be addressed through expenditure reductions. And I believe-- a point I'd like to
6 make is, the expectation should be that there would be shared reductions. I don't think
7 there should be an expectation that the County government would be able to come up
8 with over 300 million in reductions in its budget without very dramatically affecting health
9 and human services, public safety, transportation, and other services provided by the
10 County government, as well. And just one more--

11
12 COUNCIL PRESIDENT FLOREEN:

13 Excuse me. So you're referring to the school system?

14
15 JOE BEACH:

16 The other agencies would be the school system, College, and Park and Planning. Yes.
17 That would be the implication. And one other point is, we have a short-term problem in
18 FY10, we have a near-term problem in FY11, but it's also a structural issue in the County's
19 budget going from FY12-16, as well. So as we're collaborating together on solutions, both
20 in FY10 and 11, we should keep those continuing costs in mind in building a budget that's
21 more sustainable and is addressing those structural cost issues in the County's budget.

22
23 COUNCIL PRESIDENT FLOREEN:

24 Thank you, Mr. Beach. One question I have. The hole for Fiscal Year '10... Mr. Platt's
25 slide, I think, showed 110 million. Did that include the savings plan that we've just adopted
26 being taking care of?

27
28 JOE BEACH:

29 The 110 million would be the revenue reduction. Our gap projection for FY10 and FY11
30 does incorporate the savings plan estimates.

31
32 COUNCIL PRESIDENT FLOREEN:

33 Just for Fiscal Year '10 alone?

34
35 JOE BEACH:

36 Correct. That's right.

37
38 COUNCIL PRESIDENT FLOREEN:

39 It's-- the number is, after what we've done so far, is 110?

40 STEPHEN FARBER:



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1 That's the revenue write-down, as Mr. Beach said. And where we are now, after the
2 savings plan, as-- as the display makes clear, is that we have a current year Fiscal '10
3 deficit of \$32 million. In other words, our undesignated reserve is now in deficit, and
4 therefore, we have to fix that right away. There has to be a second savings plan in at least
5 that amount, and it should probably be larger so that we can take care of other problems
6 that come up. We should not be in a zero-reserve situation, and we certainly shouldn't be
7 in a negative-reserve situation. We cannot be, and that's why a second savings plan has
8 to come very quickly.

9
10 COUNCIL PRESIDENT FLOREEN:

11 So at this moment in time, we have a \$32 million problem to get through the current year?
12 Is that correct?

13
14 STEPHEN FARBER:

15 Yes. We are in deficit in our undesignated reserve by that amount.

16
17 COUNCIL PRESIDENT FLOREEN:

18 OK. Thank you. Miss Trachtenberg.

19
20 COUNCILMEMBER TRACHTENBERG:

21 Thank you, Madam President. I want to express my gratitude to all of you that are here
22 this morning for providing us with this update. I always seem to use the word "sobering"
23 every time you come, but it hasn't changed in the last year or 2, and there has been some
24 discussion, obviously, about tightening our belts and coming up with a savings plan, and
25 really, quite frankly, adjusting our Fiscal Plan because of what we're facing. There are--
26 there have been this morning several references to a book entitled "The Price of
27 Government," which I have read as well. In fact, when I took over the Management and
28 Fiscal Policy Committee, I had a long list of recommended reading provided to me, and
29 that was one of the books. And there are 8 key questions that I think really I would
30 identify, having read the book, and I think they could perhaps help guide us in any kind of
31 future conversations that we have on this dais. I'm assuming that we will receive more
32 updates in January, when we return from the Council break. And I wanted to actually put
33 out the 8 questions this morning because I think they're really essential to a productive
34 dialogue that clearly needs to happen when we return from that break. And the first
35 question, really, would be, what services are necessary? This is all about priorities,
36 because eventually, that's where we're going to get when we make our decisions. At least
37 that's what I think-- that if we avoid making those decisions this year, we're only going to
38 have to make them the following year in a more difficult set of circumstances, because
39 things are difficult as we prepare for the budget this March, but they'll be, I suspect, even
40 as difficult, if not more difficult, the following March, April, May. So what's necessary?
41 What would we like? What would be nice in the way of services? And what investments

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1 and projects can be delayed? And what I mean by that is not any reference to the CIP, but
2 really, those things that we are looking to do internal to government and how they may be
3 phased-- delayed-- because that might be one of the options that needs to be put out on
4 the table. Another question that I think needs to be answered is really, what of the
5 generally public? What do the people want? That's a really critical question to answer, and
6 I know the Executive branch has had-- last year, they certainly had a round of town hall
7 meetings. I'm going to suggest to my colleagues that that might be something that we
8 want to do, but I'm really talking about something even more specific, which is to perhaps
9 do some focus groups. But I really think we have to have that conversation with the
10 general public. I think another question is, how will we reach out to our community
11 partners, including our business partners, but also even service providers as we grapple
12 with difficult decisions? The question beyond that, really, is what may be the right
13 priorities. I just really feel we have to get to that conversation. I mentioned this last week.
14 And the last question I would pose is how do we-- you know, what do we look at in terms
15 of restructuring government? And Mr. Knapp's comments were really directed at that point
16 because eventually, once you've set the priorities, recognizing the long-term impact of
17 what we're dealing with right now, what we have to achieve beyond setting different
18 priorities is really restructuring how we run government. I mean, in effect, that was the
19 main point of the book "The Price of Government," which is that in order to face some of
20 the challenges-- again, that are unprecedented-- local governments need to find ways,
21 creative, innovative ways, to restructure how they deliver services to the general
22 community-- community at large. So I would ask that as we start having more
23 conversations the beginning of the calendar year, that we actually look at some of those
24 questions, and I think the sooner we do it, the better.

25
26 COUNCIL PRESIDENT FLOREEN:

27 Thank you, Councilmember Trachtenberg. Mr. Beach, when are we going to get the new
28 savings plan?

29
30 JOE BEACH:

31 No specific date at this time, but I expect later in December we would be transmitting that
32 to Council.

33
34 COUNCIL PRESIDENT FLOREEN:

35 Later. Well, if we could get that as soon as humanly possible-- I would like to think by the--
36 by mid December, that would be very helpful.

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1 JOE BEACH:

2 Every effort.

4 COUNCIL PRESIDENT FLOREEN:

5 Yes. Thank you. Mr. Knapp. You've got the last word here.

7 COUNCILMEMBER KNAPP:

8 Thanks. No, I-- just a question. Given the last round of activity at the Board of Public
9 Works, what does that do to our bottom line for distributions in this current fiscal year, and
10 do we have any anticipation as to kind of what else is out there in the offing? I just haven't
11 had a chance to read any of the projections from Mr. Deschaneaux or anything like that at
12 this point, so.

14 JOE BEACH:

15 The Board of Public Works made some reductions in late November.

17 COUNCILMEMBER KNAPP:

18 Right.

20 JOE BEACH:

21 I guess it was the 18th. It did affect some Health and Human Services grants, but it did not
22 affect any aid formulas that we're aware of, and we can get you detail on--

24 COUNCILMEMBER KNAPP:

25 OK. That was it. Just the HHS stuff. That was the only direct fiscal impact?

27 JOE BEACH:

28 It was the only that we could identify. That's right.

30 COUNCILMEMBER KNAPP:

31 OK. And we don't expect-- are they doing-- there's no more anticipated meetings of the
32 Board of Public Works. The next will just be whatever the Governor does in his budget in
33 January?

35 STEPHEN FARBER:

36 That's our expectation. I think the one additional piece of news will come with the state's
37 revenue update this month. They do a revenue update this month. There have been write-
38 downs consistently, as you know. It's possible that there would be another one. That, I
39 think, would be folded into what the Governor does in his January budget.

41 COUNCILMEMBER KNAPP:

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1 Right now, the state is still looking at approximately a \$2 billion shortfall going into the next
2 fiscal year? Is that their hole?

3
4 JOE BEACH:

5 That's my understanding, yes, although that's, I think, has been reduced by some of the
6 reductions, mid-year reductions, the state has taken so far.

7
8 STEPHEN FARBER:

9 There's another possibility that could help the state out. Tucked into the House health
10 reform bill is \$23.5 billion for Medicaid for the states. Maryland's share would be 384
11 million of that. It certainly would be very useful, but of course that bill has to pass, and that
12 provision has to stay in, and neither of those is a certainty at this point.

13
14 COUNCILMEMBER KNAPP:

15 And last year, we all kind of thought we did pretty well from a state perspective because
16 we were-- state aid to the County was reduced by, what, 56 million in total? Is that the
17 number? Something like that?

18
19 JOE BEACH:

20 I think including education aid-- I think if you excluded education aid, that's probably a
21 good figure. I could follow up with the specific, but I think if you included education aid, I
22 don't think there was a net reduction. But I'll have to go back and check.

23
24 COUNCILMEMBER KNAPP:

25 And that was primarily as a result of the stimulus money, though-- the education aid.

26
27 COUNCIL PRESIDENT FLOREEN:

28 Right.

29
30 JOE BEACH:

31 Yes. That's correct.

32
33 COUNCILMEMBER KNAPP:

34 And so-- I'm just trying to get some benchmarks that, you know-- trying to figure out if we
35 can extrapolate it a \$2 billion-- what was the hole last year? It was one-plus, and we had
36 56 million impact, and so if you look at 2 billion, so we should probably be anticipating
37 something, I would assume, in the \$100 million range from the state, just for
38 guesstimation. I mean...

39
40 JOE BEACH:

41 I hope not.

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1
2 COUNCILMEMBER KNAPP:

3 Well, they're going to have to do something. So I guess that's kind of the question. So how
4 are you guys at least-- what are you putting in there as a placeholder at this point?

5
6 JOE BEACH:

7 The projections right now for FY11 assume the legally-- funding legally required formulas
8 for highway user--
9

10 COUNCILMEMBER KNAPP:

11 So we're not assuming any reduction from the state at this point. So our 310-320 still
12 doesn't factor anything from the state. We hope everything works well.
13

14 JOE BEACH:

15 We hope. Yeah.
16

17 COUNCILMEMBER KNAPP:

18 OK. Thanks.
19

20 COUNCIL PRESIDENT FLOREEN:

21 Thank you, Mr. Knapp. One other follow-up question-- for County finances, how much
22 Recovery Act money have we used for our budget past year 2?
23

24 STEPHEN FARBER:

25 Mr. Beach sent some material over yesterday, and for Fiscal '09 and '10 combined, for all
26 agencies-- including schools, in particular-- the total to date is 80 million.
27

28 COUNCIL PRESIDENT FLOREEN:

29 80 million. And that's not recurring dollars.
30

31 JOE BEACH:

32 No, it is not.
33

34 COUNCIL PRESIDENT FLOREEN:

35 No. So have you assumed--
36



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1 JOE BEACH:

2 Part of that, though-- for schools. We'll get the second installment for schools in FY11.
3 Beyond that, it will not-- there's no expectation that it will recur.

5 COUNCIL PRESIDENT FLOREEN:

6 Looking at the budgetary-- at the anticipated revenues, then, have you subtracted out that
7 recovery dollars in looking at future revenues?

9 JOE BEACH:

10 We don't have that continuing beyond FY11 for schools.

12 COUNCIL PRESIDENT FLOREEN:

13 OK. Good. All right.

15 STEPHEN FARBER:

16 There will be ARRA money in Fiscal '11, but as you point out, the ARRA money right now
17 is scheduled to end in Fiscal '11, so there will be a big hole in Fiscal '12.

19 COUNCIL PRESIDENT FLOREEN:

20 Mr. Knapp.

22 COUNCILMEMBER KNAPP:

23 Sorry. Has there been-- the superintendent comes out with his operating budget
24 recommendation, I believe, in the next week or so. Has there been any direction from the
25 Executive as to-- given these numbers, as to a target that he should be trying to fit into, or
26 are we just hoping that he sees the tea leaves and comes up with a number that's below
27 whatever he has talked about so far?

29 JOE BEACH:

30 We have met with the superintendent and his staff several times over the fall and have
31 had-- discussed with them the County's fiscal situation and have advised them of what we
32 feel should be and should not be in the budget, but we're not in a position to direct the
33 superintendent to--

35 COUNCILMEMBER KNAPP:

36 No, no, I know, but have we given them a target that-- given your point of, it needs to be a
37 shared responsibility type of a thing, given the numbers we have in front of us, have you
38 said, "This is what this would potentially look like for the school system, and we'd like to try
39 and have you guys shoot for this," so at least we know they know what they're trying to get
40 to, or are you hoping--

41 JOE BEACH:

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1 I'd say it's more of what we think would be a reasonable range, rather than a hard target.
2 But yeah, we've had lots of discussions with the school system over the fall.

3
4 COUNCILMEMBER KNAPP:
5 All right. Thanks.

6
7 COUNCIL PRESIDENT FLOREEN:
8 Well, it has been a very sobering afternoon. Thank you all for your hard work. We'll look
9 forward to those follow-up slides, and we look forward to the next savings plan. We will do
10 all we can to make this work. So thank you very much, everybody. And keeping in line
11 with Councilmember Andrews' very-- excellent timeliness, we will start at 1:45.
12

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1



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1 COUNCIL PRESIDENT FLOREEN:

2 OK. Good afternoon. The first item on this afternoon's hearing agenda is a public hearing
3 on the Housing Element of the General Plan. This is a public hearing on the Planning
4 Board draft of the Housing Element, which would amend the 1993 General Plan. The
5 proposed Housing Element addresses the changes in the County's priorities for future
6 community development and preservation and meets the requirements of the State of
7 Maryland's 2006 Workforce Housing Grant Program, as required by House Bill 1160. The
8 amendment bill brings the Housing Element of the General Plan in line with current
9 planning frameworks at the County, state, and federal levels. A PHED Committee
10 worksession will be scheduled at a later date. Persons wishing to submit additional
11 material for the Council's consideration should do so before the close of business on
12 Thursday, January 7, 2010, although, of course, we always listen to everyone. And the
13 public speakers--here's the list. Everyone can come on up. Scott Reilly, speaking for the
14 County Executive; Royce Hanson, speaking for the Montgomery County Planning Board;
15 Mr. Jim Humphrey, speaking for the Montgomery County Civic Federation; Eileen
16 Finnegan, speaking for the Hillandale Citizens Association; Sally Roman, speaking for the
17 Housing Opportunities Commission; and Raquel Montenegro, speaking for the Maryland-
18 National Capital Building Industry Association. Thank you. As you all know, you have 3
19 minutes. Mr. Reilly.

20
21 SCOTT REILLY:

22 Madam President, thank you. Good afternoon. For the record, I am Scott Reilly, chief
23 operating officer, Department of Housing and Community Affairs, testifying on behalf of
24 County Executive Ike Leggett. The County Executive is pleased that a number of the
25 issues identified by his Affordable Housing Task Force are addressed in the draft Housing
26 Element. The task force report included recommendations on preserving the County's
27 existing affordable housing stock, creating new affordable housing, and adopting
28 regulatory reform, especially mitigation of the expensive and time-consuming
29 development approval process. The Executive branch supports the Housing Element's
30 policy goals that encourage co-location of housing with public facilities. We recommend
31 adding a provision that where the County is pursuing housing co-located or adjacent to a
32 public facility, that the residential density from the public facility portion of the site may be
33 transferred to or reserved for the residential component. Now, despite our comments to
34 the board, the plan has not addressed a significant issue affecting housing production--
35 the regulatory and approval processes of the County agencies themselves, including the
36 Planning Board. The recommendation in the Affordable Housing Task Force report is that
37 streamlining of the development approval process and removal of barriers to housing
38 production, especially affordable housing production. The Executive recommends that a
39 fifth objective be added to the Housing Element to address these concerns. We would title
40 it "Housing and Land Use Zoning and Development Approval." The policy goals for the
41 objective include the following:



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1 expedite approval reviews for housing that meets strategic objectives of affordability,
2 environmental sustainability, and transit serviceability; consolidate sequential review and
3 approval processes into one coordinated concurrent process; provide incentives, including
4 height and density, to promote appropriately designed and priced housing; allow Sectional
5 Map Amendments that address changing community and market conditions to proceed
6 independently of time-consuming Master Plan and Sector Plan amendments; ensure that
7 all Master Plan and Sector Plan amendments address the need for additional affordable
8 housing and promote specific strategies to meet that need; allow flexibility in meeting site
9 plan requirements commensurate with the provision of affordable housing in excess of
10 minimum requirements. While we are encouraged that the Planning Board has begun a
11 rewrite of the Zoning Ordinance and is looking at overhauling its regulatory processes, we
12 believe that this fifth objective will provide guidance to both efforts. We also believe that
13 Objective 2-- diverse neighborhoods and housing--should note that there are additional
14 impediments to accessing housing. These barriers include unfair lending practices, lack
15 of awareness of Fair Housing matters, and a shortage of testing information on Fair
16 Housing in Montgomery County. With these additions and amendments and those in the
17 County Executive's written comments, we believe that the new Housing Element will be a
18 valuable tool in promoting and directing housing production, including affordable housing.
19 Thanks for the opportunity to provide these issues for your attention.

20
21 COUNCIL PRESIDENT FLOREEN:

22 Thank you, Mr. Reilly. Mr. Hanson.

23
24 ROYCE HANSON:

25 Thank you, Madam President, and congratulations. On behalf of the Planning Board, we
26 recommend that the Council adopt the proposed Housing Element of the General Plan,
27 which will bring the housing goals into alignment with our current housing priorities and
28 with recent housing legislation and initiatives at the state and federal levels. The Housing
29 Elements make--makes recommendations for housing in the County and identifies policy
30 objectives of regulatory reforms and land-use strategies needed to accomplish those
31 recommendations. It also satisfies the requirements of Maryland House Bill 1160, which
32 requires a local government to have a comprehensive plan with workforce housing
33 elements as a prerequisite to participation in the Workforce Housing Grant Program
34 established by that bill. The proposed plan addresses a number of key housing challenges
35 that the County will face. We have very high housing values in the County, and that
36 reflects strong demand as well as our reputation for high quality of services and stable
37 neighborhoods. The negative side of this robust housing market is a chronic shortage of
38 moderate and lower-income housing. The County is forecasted to exceed a million
39 persons by 2015 and add about 72,000 households between 2010 and 2030. The
40 greatest need will be for housing for seniors, young households, large families, and
41 people with special needs, and this will be accompanied by a growing demand for rental



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1 units. We can't solve our housing problems with policies that reinforce traditional patterns
2 of low-density sprawl development. The proposed document encourages new strategies
3 designed to successfully accommodate the next generation's demand for homes and
4 communities that are balanced, convenient, and sustainable. In addition to conserving
5 existing affordable housing, new housing strategies must be developed that offer smarter
6 future--smarter future vision for the County's 106 auto-oriented commercial strips, that
7 rethink its 8,000 acres of surface parking, and that optimize opportunities for housing near
8 high-quality transit service. The Housing Element identifies Master Plans, development
9 regulations, new revenue sources, uses of appropriately located surplus public land, and
10 collaboration among public agencies as essential components of a strategic framework.
11 It's a result of more than 2 years of public review process, interagency worksessions, and
12 numerous meetings with representatives of community and development groups. The
13 Planning Board anticipates significant public and private sector coordination will be
14 required for the successful implementation of the Housing Element, and we look forward
15 to working with the Council and its committees in the months ahead. And thank you for
16 providing the leadership necessary to reach our goals.

17
18 COUNCIL PRESIDENT FLOREEN:

19 Thank you, Mr. Hanson. Mr. Humphrey.

20
21 JIM HUMPHREY:

22 Thank you, Madam Council President. I'm Jim Humphrey, testifying on behalf of the
23 Montgomery County Civic Federation. At their meeting on November 9, federation
24 delegates unanimously approved the following position on the draft revision of the
25 Housing Element of the General Plan. The federation members believe that an important
26 objective of the Housing Element should be the preservation of existing affordably priced
27 housing, both government-controlled and free-market-available sale and rental units, while
28 ensuring units are maintained in good condition. This is a specific goal in the current
29 Housing Element--Objective 4, Strategy F of a '93 General Plan refinement. Instead, we
30 find in this document a halfhearted recommendation, quote, "to make affordable and
31 workforce housing a priority," which is buried as the seventh of 34 policy strategies in the
32 document, with no specifics as to how this should be done. The most affordable housing
33 units are those that already exist, since housing on redeveloped sites is almost always
34 priced higher than that which currently exists. In addition, in environmental terms, existing
35 housing has a smaller carbon footprint than redeveloped housing regardless of how
36 energy-efficient that new housing may be. A second and equally important objective of the
37 new Housing Element should be the preservation of the character and quality of existing
38 neighborhoods. One of the 6 objectives in the housing chapter of the '93 General Plan
39 refinement is to protect existing residential neighborhoods, with 6 specific strategies
40 identified to achieve that objective, but all these references have been removed in the
41 proposed revision. We believe the objective of protecting single-family home



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1 neighborhoods, which occupy 72% of the developed land in the County, should be
2 retained in any revision of the Housing Element, and we believe a new strategy should be
3 added to the revision recommending the creation and application of standards necessary
4 to preserve the character of residential neighborhoods and ensure the compatibility of infill
5 projects with that character. MCCF delegates believe that the proposed strategy to allow
6 accessory apartments in any residential--in residential zones by right under appropriate
7 design standards and conditions --Strategy 2.1--is an attempt to circumvent a County
8 policy debate that has yet to take place. The federation strongly supports retention of the
9 current Special Exception Process for approval of accessory apartments. On the reverse
10 of the testimony that we submitted to Councilmembers today, we have included the
11 sections of the current housing goals chapter that we believe should be retained and
12 strengthened in any revision that you approve. In addition, we would recommend to
13 Councilmembers that you read the list of objectives and strategies to meet those
14 objectives which appear in the current housing chapter of the 1993 General Plan
15 refinement and consider how to build on the strengths of that document, rather than
16 throwing it out and adopting a wholesale replacement, which, in our view, is lacking some
17 key objectives with regard to housing. Thank you.

18
19 COUNCIL PRESIDENT FLOREEN:

20 Thank you, Mr. Humphrey. Miss Finnegan.

21
22 EILEEN FINNEGAN:

23 Hello, and congratulations to all. The 3 basic goals of the Housing Element are laudable
24 goals which all Montgomery County residents can appreciate as we look to the future.
25 However, beneath the surface of these goals are contradictory recommendations and a
26 lack of clarity. Hillandale is an older, just at the Beltway, just at the County line community
27 comprised of modest homes--about 1,300 in Montgomery County. Our area is very
28 inclusive, with a mix of single-family homes, garden and high-rise apartment complexes.
29 Our schools are highly challenged. Hillandale single-family neighborhoods have rented
30 homes, accessory apartments, registered living units, and rented rooms. We have group
31 homes for the developmentally disabled and small assisted-living care homes. We have
32 home-based businesses. We are part of the East County, the MCPS Red Zone, and our
33 perspective is different from the generalized overview provided in the Housing Element.
34 We welcome the acknowledgement that older neighborhoods are vulnerable to decline if
35 services are not maintained and codes are not enforced. We do seek better enforcement.
36 Unfortunately, the recommendation to eliminate the Special Exception requirement for
37 accessory apartments contradicts the stable neighborhood goal. A Special Exception
38 process has worked well for Hillandale. A recent case started as an overcrowding
39 complaint. Through the documentation and hearing process, a number of difficult issues
40 were resolved, resulting in a marked improvement, rather than a deteriorating situation.
41 The Board of Appeals provides the best venue to bridge the cultural and attitudinal

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1 differences. This is markedly different from the unsatisfactorily resolved situations
2 resulting from a DHCA-only administered registered living unit. If the County's goal is to
3 increase affordable housing in the least costly way and without causing neighborhood
4 decline, we ask Council to modify this Housing Element and reinforce the long-standing
5 County policy to allow accessory apartments by Special Exception. The goal of
6 concentrating new housing in transit-oriented areas needs to include 2 additional policies--
7 achieving a jobs/housing balance and assessing quality transit. Marginal transit centers
8 and crossing right en route should not be the qualifying criteria for a project to be
9 designated transit-oriented and ready for high-density residential development. Regarding
10 the final goal of closing the affordability gap, much of MCPC's data does not reflect the
11 recent historic change in the real-estate market or the fact that according to DHCA, the
12 County has now large pockets of naturally occurring affordable housing. With this new
13 reality, the County needs to institute policies to achieve economically integrated
14 communities. And I'm out of time, so thank you so much.

15
16 COUNCIL PRESIDENT FLOREEN:

17 Well, you can finish up. Go ahead.

18
19 EILEEN FINNEGAN:

20 That's fine.

21
22 COUNCIL PRESIDENT FLOREEN:

23 That's it. Excellently timed. Sally Roman.

24
25 SALLY ROMAN:

26 Good afternoon, Madam President and members of the Council. I'm Sally Roman, a
27 commissioner with the Housing Opportunities Commission, speaking today on behalf of
28 the commission. Thank you for this opportunity to comment on the draft Housing Element
29 of the General Plan. We would like to commend the Planning Board and planning staff for
30 this thoughtful, comprehensive draft and support the effort to update the County's Housing
31 Planning Policy to respond to the challenges of an increasingly urban environment.
32 Overall, we are pleased to endorse the goals and objectives of the draft Element. We
33 believe they provide a sound basis for future housing development and preservation in the
34 County. However, there is one significant omission. The Housing Element of the current
35 General Plan includes the objective "promote a sufficient supply of housing to serve the
36 County's existing and planned employment." This concept is implied but never stated in
37 the current draft. We believe it is important to clearly express this idea as County policy.
38 This is particularly important for the lower-income workers HOC serves, since an
39 insufficient supply of housing near jobs tends to push prices, which are already very
40 high, way beyond their reach. We urge you to add such an objective. We especially
41 support 2 of the Element's policy statements and hope that they will be actively pursued in



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1 future Master Plans and planning decisions. These are Policy 2.2--make affordable and
2 workforce housing a priority in all parts of the County--and Policy 4.5-- include affordable
3 and workforce housing in all suitable public building projects in appropriate locations
4 throughout the County. Policy 2.9--create a partnership between Montgomery County and
5 the Housing Opportunities Commission to acquire vacated properties for affordable and
6 workforce housing --it goes on a little bit-- should be revised to say "support the
7 partnership between Montgomery County and the Housing Opportunities Commission," as
8 HOC and the County already work together on projects of this nature. We appreciate the
9 good relationship we enjoy with the County as we pursue this type of project. We suggest
10 2 other minor but important revisions. On page 11, in the discussion of Master Plans, we
11 suspect that the intention was to increase opportunities to develop a ratio of housing units
12 to jobs that reflects the number of workers per household, rather than a high jobs/housing
13 ratio. I'm not even sure what a high jobs/housing ratio is, to be honest, and we would
14 revise it accordingly. We would also change-- add HOC in number 4.5 in the interagency
15 coordination matrix, which is "include affordable housing in all suitable public building
16 projects," as HOC typically plays a role in these projects. Thank you for considering our
17 comments. We would be glad to answer any questions or discuss them with you or the
18 staff.

19
20 COUNCIL PRESIDENT FLOREEN:

21 Thank you, Miss Roman, and thank you for your many years of laboring in the field for
22 affordable housing. Miss Montenegro, we're glad you're back in the saddle. We hope
23 you're feeling better.

24
25 RAQUEL MONTENEGRO:

26 I think. At least for the moment, we're doing well. And thank you for the opportunity to
27 present some comments, and we'll present written comments by the January 7 deadline.
28 We appreciate--and Raquel Montenegro with the Maryland-National Capital Building
29 Industry Association. We appreciate having been involved in some of the discussions at
30 Park and Planning with the Planning Board on the Housing Element, and we'd like to
31 provide some comments. To begin with, I believe the Housing Element really needs to be
32 retitled, as most of the focus is on affordable housing, as opposing to housing, across the
33 County. The use of the word "affordable" is used indiscriminately. It refers to, in a couple
34 of places, to housing that is affordable, and in the next paragraph or within the same
35 paragraph, it refers to affordable housing. "Preservation of--conservation of stable
36 neighborhoods in existing housing stocks that is affordable. 140,000 affordable units in
37 2009 in neighborhoods." Does that mean that the Housing Element wants to restrict the
38 ability of current homeowners to sell their homes at market rate prices? How do you
39 maintain affordable housing when it is privately owned? Needs to be addressed. The
40 implication in the report is that you can do something about it. It would be interesting to
41 see what. The-- it is still unclear whether the 72,000 new housing units include only new,



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1 market rate housing, or is it also referring to affordable housing units that will need to be
2 subsidized? Some of the goals are contradictory. There is little emphasis on encouraging
3 redevelopment in aging commercial strips, nor is there any mention of any kind of
4 public/private partnership that could help the redevelopment of existing retail spaces that
5 could be used for housing. We have additional comments which we will forward to you.
6 Thank you again.

7
8 COUNCIL PRESIDENT FLOREEN:

9 Thank you very much. I thank all the panelists. Any questions? Doesn't look like it. Thank
10 you very much. You were all very clear. And we will keep you posted on when we take
11 this up in PHED Committee. OK. The next item on the agenda, agenda Item 13, Bill 37-
12 09. Contracts and Procurement - Equal Benefits. Good afternoon, ladies and gentlemen.
13 This is a public hearing on Bill 37-09, Contracts and Procurement - Equal Benefits. This
14 bill would require County contractors and subcontractors to provide equal benefits for
15 employees working on certain County contracts and generally regulate the benefits
16 provided to employees of contractors and subcontractors on certain County contracts. A
17 T&E Committee worksession will be scheduled at a later date. Persons wishing to submit
18 additional material for the Council's consideration should do so before the close of
19 business on Thursday, January 7, 2010. And our speakers, who have arranged
20 themselves nicely-- David Dise, speaking for the County Executive; David S. Fishback,
21 speaking for Metro DC Chapter of Parents and Friends of Lesbians; Joseph Sandler,
22 speaking for the Jewish Community Relations Council; Nadine Mort, an individual; and
23 Morgan Meneses-Sheets--I hope I got that right--speaking for Equality Maryland. And with
24 that, Mr. Dise.

25
26 DAVID DISE:

27 Thank you, Madam President. For the record, I'm David Dise, director of Montgomery
28 County's Department of General Services, and I'm here to present testimony on behalf of
29 Ike--County Executive Isiah Leggett in support of Bill 37-09. The County has well-
30 established policies and practices that promote diversity and oppose discrimination. In
31 2000, the County enacted legislation to provide equal benefits for its employees with
32 same-sex domestic partners. Since taking office in 2006, the County Executive has made
33 inclusiveness a hallmark of his administration, believing that County government must
34 model the values it espouses and encourage these values in both the public and private
35 sectors. Mr. Leggett has publicly stated his belief that the equal treatment enjoyed by
36 County employees should be extended to employees of companies that do business with
37 Montgomery County. Bill 37-09 reflects the principles that employees with spouses of the
38 opposite sex and employees in a licensed or unlicensed committed relationship with a
39 member of the same sex should receive the same benefits. Appropriately, Bill 37-09 does
40 not require County contractors to begin offering benefits they do not currently or
41 previously offer. The provision of the equal benefits is not uncommon among large

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1 businesses. Following the enactment of similar legislation by several California
2 jurisdictions up to 10 years ago, many companies doing business with those municipalities
3 adopted equal benefits programs. However, recognizing that this contractual requirement
4 has financial and logistical impact on businesses--particularly mid-sized and small
5 businesses --some of those same municipalities exempted small business and
6 subcontractors or adopted higher bid thresholds. Over the past few weeks, the
7 Department of General Services staff has contacted municipalities that have equal
8 benefits laws in place to determine what, if any, impact this legislation had on businesses
9 or any increase or diminution of the number of businesses competing for public contracts.
10 As yet, these municipalities have not provided the data, despite our repeated requests.
11 We continue to seek this data and hope to have it available when the committee
12 undertakes its deliberations on this bill. We did learn that many entities spent considerable
13 time working with businesses and Chambers of Commerce before implementing equal
14 benefits laws. Following this best practice, we propose the Council amend the bill to make
15 it applicable to contracts awarded 18 months after its enactment. This delayed effective
16 date would be consistent with the Executive's economic assistance plan, which included a
17 proposal to delay the effective date of new legislation that could have a substantial
18 economic impact on business and require a Fiscal Impact Analysis of the impact on both
19 County and the parties being regulated. We note the bill would have a different type of
20 economic impact on businesses and those providing or required by the Living Wage and
21 Prevailing Wage Law, and we believe that bears further examination, as well. The impact
22 this will have on Montgomery County contractors and those seeking future business with
23 the County is not fully known at this time. With the delayed effective date and a few
24 technical edits that will be discussed during the committee, the County Executive supports
25 Bill 37-09 and believes it's a positive step forward for the County.

26
27 COUNCIL PRESIDENT FLOREEN:

28 Thank you, Mr. Dise. Mr. Fishback.

29
30 DAVID FISHBACK:

31 Good afternoon. Thank you. Good afternoon.

32
33 COUNCIL PRESIDENT FLOREEN:

34 Thank you, Mr. Dise.

35
36 DAVID FISHBACK:

37 I'm David Fishback, and I'm speaking on behalf of the Metro DC Chapter of Parents,
38 Families, Friends of Lesbians and Gays-- PFLAG--in favor of Bill 37-09. This bill, of
39 course, would require County contractors to offer their gay employees with domestic
40 partners whatever benefits they offer their straight employees with spouses. As a PFLAG
41 dad and a lifelong resident of Montgomery County, I am pleased and proud that the



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1 political leadership in this community repeatedly has rejected discrimination against our
2 fellow citizens based on sexual orientation or identity. Our local government, funded by
3 the taxpayers, should never be a party to such discrimination. A month ago, an editorial in
4 a local newspaper, while generally supportive of equal rights, expressed concern about
5 the fiscal wisdom of Bill 37-09. But that concern was misplaced and misguided. Since only
6 a small percentage of people in our community are gay, the fiscal impact on a given
7 contractor would be negligible, and in this competitive environment, contractors' bids are
8 not going to be higher because a small percentage of their workforce would be able to
9 avail themselves of benefits already offered to their colleagues. More to the point is the
10 following--what if members of a particular religious or ethnic group were discriminated
11 against regarding work benefits and the Council sought to require non-discrimination as a
12 prerequisite to holding a County contract? I doubt that the editorialist would argue that the
13 Council should refrain from acting because of the supposed potential cost or, as the
14 editorial put it, the danger of, quote, "government interference in the private sector." And
15 that is really the crux of the matter. The County should not and would not contract with a
16 company that engaged in religious or--or racial discrimination, nor should we use the
17 public's tax money to contract with a company that discriminates based on sexual
18 orientation. In Montgomery County, we value all of our-- all of our people. We should not
19 have second-class citizens in Montgomery County. I want to thank Councilwoman
20 Navarro for taking the lead on this legislation, and I want to thank all of you for being
21 steadfast supporters of equality for the LGBT members of our community. Thank you.

22
23 COUNCIL PRESIDENT FLOREEN:

24 Thank you, Mr. Fishback. Joseph Sandler.

25
26 JOSEPH SANDLER:

27 Thank you, Madam President and members of the Council. My name is Joe Sandler. I'm
28 vice president of the Jewish Community Relations Council of Greater Washington and
29 appreciate the opportunity to appear today on behalf of JCRC, which is the public affairs
30 and community relations arm of the Jewish community, representing 210 Jewish
31 organizations and synagogues throughout the District of Columbia, Maryland, and
32 Virginia. JCRC supports attempts to promote equality and protect individuals in our
33 society from discrimination and, on that basis, is pleased to strongly support Bill 37-09,
34 which would require County contractors and subcontractors to provide equal benefits or
35 the cash equivalent for employees working on County contracts for same-sex couples that
36 the County currently provides for its own employees. These benefits include family
37 medical, sick leave, dental, disability, and life insurance. 2 points worth noting that have
38 been--that have been raised by some of the skeptics or opponents of the legislation. The
39 bill really doesn't impose any significant burden on contractors. In particular, it doesn't
40 require any contractor to offer any benefit to its employees that it's not already offering. It
41 just says that if they offer a benefit to employees that applies to married couples of the

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1 opposite gender, the same benefit has to be applied to--afforded to domestic partners.
2 And for the reasons that have been stated by the 2 previous speakers, it's unlikely that
3 that incremental extension of benefits on the same basis is going to impose any significant
4 cost on contractors. Nor does the bill really impose any burden with respect to
5 implementation or enforcement on the County. As a practical matter, it really puts the
6 burden on an employee to raise the issue, to complain to trigger the process, and it's not
7 likely, again, to require a lot of administrative time or energy on the part of the County to
8 implement or enforce this. So we are pleased to join with the other groups in supporting
9 this legislation and hope that the Council will enact it. Thank you very much.

10
11 COUNCIL PRESIDENT FLOREEN:
12 Thank you, Mr. Sandler. Nadine Mort.

13
14 NADINE MORT:
15 Good afternoon. I'm very proud to be--

16
17 COUNCIL PRESIDENT FLOREEN:
18 Could you press your button there? There you go.

19
20 NADINE MORT:
21 Am I electrified like American Idol?

22
23 COUNCIL PRESIDENT FLOREEN:
24 We are electrified.

25
26 NADINE MORT:
27 Everybody vote. Nadine Mort is my name, and I live in Ashton, Maryland, and I'm very
28 proud to be here today. And I, too, am in support of 37-09, and I'm listed as an individual,
29 but you have all those invisible people that are afraid to come here behind me, as you
30 know. All Montgomery County citizens will benefit when everyone is viewed equally by
31 government, employers, schools, and neighbors. All people deserve the opportunity to
32 enter into a loving relationship with a long-term partner and to create a family, support it,
33 and have a home here in our County. This is the most basic of human rights-- universally
34 accepted worldwide. Families are the main organizing structure for our society. They
35 create order and predictability. They allow us to nurture one another and to share life's
36 great joys, burdens, and sorrows. Families, which come in many shapes, forms, and
37 sizes, give life meaning, significance, and security. Unfortunately, the legal protections
38 that go along with relationship recognition and family units are not a reality for most
39 lesbian, gay, bisexual, and transgender Americans--even though, according to a number
40 of polls, 75% of Americans support same-sex relationships, and they wish to have
41 recognition of same-sex relationships. You all are moving us forward today. The



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1 Montgomery County Council must be commended for their vision, their leadership, in
2 supporting all our citizens, all our children, all our families, as they want to support--
3 through their employment and their taxes --a way to love and take care of their families.
4 Thanks very much.

5
6 COUNCIL PRESIDENT FLOREEN:

7 Thank you very much. And finally, we have Morgan Meneses-Sheets. Did I get that right?

8
9 MORGAN MENESES-SHEETS:

10 I'll help you out on that.

11
12 COUNCIL PRESIDENT FLOREEN:

13 Thank you. I could use it.

14
15 MORGAN MENESES-SHEETS:

16 You're welcome. An acquired married name, so you know that's love. My name is Morgan
17 Meneses-Sheets, and I'm the executive director of Equality Maryland, and Equality
18 Maryland is the statewide LGBT civil rights organization here in our state, and I am here to
19 testify in support of bill number 37-09. All across our state, gay and lesbian employees
20 face discrimination in workplace benefits because they are unable to obtain a civil
21 marriage license, and receiving equal pay for equal work remains an important aspect to
22 achieving full equality for the LGBT community here in Maryland. I want to thank
23 Councilwoman Navarro for sponsoring this important bill that merely states that if
24 companies and contractors will do business in this County, they must provide the same
25 benefits that they are providing to other partners. This County has continually been a
26 leader in advancing fairness for all residents, and this legislation continues that precedent
27 by ensuring equal protection under the law and valuing equally the contribution of lesbian,
28 gay, bisexual, transgender, and heterosexual employees in the work environment,
29 recognizing that differential treatment of specific groups hinders the County's capacity to
30 attract and retain a diverse body of highly qualified individuals and therefore undermine
31 the ability to do business. If we want our economy to flourish in this County and want to
32 attract and retain talented workers, we must do all we can to make sure that workers have
33 access to equal benefits. This is about decency, but it's also about maintaining a
34 competitive workforce where people are evaluated and compensated based on their
35 merits and performance, not their sexual orientation. Evidence suggests that employers
36 with such policies and contractors who enact these policies enjoy a heightened reputation
37 for respecting diversity, and that without these benefits--a significant portion of overall
38 employee compensation--it is a huge act of discrimination towards gay and lesbian
39 workers. This bill will help provide equitable access on a wide range of benefits. And this
40 is about real people's lives here in Montgomery County, about gay and lesbian individuals
41 struggling in today's economy being able to provide health plan benefits to their domestic

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1 partners, about LGBT parents making sure that they have access to family medical leave
2 when their children is ill, when their partner is ill. But it's not just about dramatic situations
3 of death or illness. It's also just about the day to day of equal treatment. Opponents will
4 discuss cost, but there are numerous studies I will make sure to share in written testimony
5 with the Council that prove not only is the cost nominal, but that also the actual enrollment
6 will be quite low. I want to thank you for your ongoing commitment to equality. I think this
7 is a great step toward marriage equality, and just note that your colleagues in DC today
8 voted 11-2 for marriage equality, and I want to thank you for helping our state to take
9 some major steps forward on that issue.

10
11 COUNCIL PRESIDENT FLOREEN:

12 Thank you very much. It appears that you have all--oh, no. We have one comment--
13 Councilmember Navarro.

14
15 COUNCILMEMBER NAVARRO:

16 Thank you. I just want to thank everybody for coming out today to testify and just--I know
17 this is going to be taken on in committee, but I did want to clarify the testimony by Mr.
18 Dise. It does state here that unlike a wage requirement, under which the County is directly
19 paying the contractor to comply with the requirement, an equal benefits requirement goes
20 beyond the rates paid by the County. On a specific contract, it requires a contractor to
21 cover the cost of benefits for employees performing work not related to a County contract.
22 And actually, the bill specifically states that it's to cover employees who are actually
23 providing work under a County contract, so it's not--I just wanted to clarify that because I
24 think it's misstated there.

25
26 DAVID DISE:

27 I think we understand that, and we'll-- we're prepared to discuss this in the committee in a
28 matter of detail.

29
30 COUNCILMEMBER NAVARRO:

31 Thank you.

32
33 COUNCIL PRESIDENT FLOREEN:

34 Well, the committee looks forward to that. Thank you very much, Miss Navarro. It appears
35 that everyone else--everyone's comments have been clear and concise, and there are no
36 further questions. Thank you very much. Moving on, we have agenda Item 14, Bill 38-09,
37 Growth Policy - Amendments. This is a public hearing on Bill 38-09, Growth Policy -
38 Amendments, that would rename the County Growth Policy and modify its purposes and
39 revise the process to adopt and amend the County Growth Policy and conform related
40 laws. A Planning, Housing and Economic Development Committee worksession is
41 tentatively scheduled for Thursday, January 21, 2010, at 9:30 AM, having run out of



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1 committee meeting time in the month of December. Persons wishing to submit additional
2 material for the Council's consideration should do so before the close of business on
3 Thursday, January 7, 2010, although you know that we listen to you up until the minute we
4 make a decision. We have, speaking on behalf of the County Executive, Gary Stith; Royce
5 Hanson of the Montgomery County Planning Board; Natalie Goldberg, individual and civic
6 activist par excellence; and Stan Schiff, another longtime community activist in the civic
7 community. Thank you very much for being here, and Mr. Stith.

8
9 GARY STITH:

10 Good afternoon, Council President Floreen and members of the County Council. My name
11 is Gary Stith, and I'm pleased to provide testimony on behalf of County Executive Isiah
12 Leggett in support of Council Bill 38-09. This bill clarifies that the Growth Policy is
13 intended to address the staging of subdivision development, and it proposes 2 very
14 important procedural changes. First, it relieves that Council, the County Executive, and the
15 Planning Board of the very time-intensive and expensive requirement of providing a
16 Growth Policy every 2 years. Rather, it requires that the policy on growth, which the bill
17 refers to as a Subdivision Staging Policy, be adopted every fourth year. This will have
18 many benefits. The Planning Board, the Council and the Executive, and their respective
19 staffs will have time to focus on important development issues. The 4-year cycle will save
20 time and expense and will create greater certainty and reliability in the development
21 process, allowing property owners and their lenders greater certainty in their development
22 and funding decisions. Bill 38-09 will allow the Council, the Executive, and the Planning
23 Board the opportunity to determine the effectiveness of previously adopted policies-- a
24 condition that simply does not exist in the current biennial approach. If a mid-cycle
25 amendment is needed, County law will still allow for such an amendment. The second
26 important thing that this legislation does is that it directs the consideration of the policy on
27 growth in the second year of a Council term, which gives a newly elected Council one
28 year under its belt to understand and review development issues before pursuing changes
29 on development policies that shape the landscape and economic welfare of the County. It
30 then allows 2 years of the remainder of the term for the implementation of this policy.
31 Overall, this will be a far more efficient approach to setting development policy. This bill
32 maintains the focus of the Growth Policy on the implementation of the Adequate Public
33 Facilities Ordinance-- historically its primary focus. Other policy objectives are important,
34 but the Growth Policy should stay focused on the timing and location of development to
35 ensure that public facilities are adequate to support the development and maintain the
36 level of primary services that are critical to the quality of life in the County. While Mr.
37 Leggett supports the substantive changes proposed by Bill 38-09, he does not think it's
38 necessary to change the name of the bill from Growth Policy to Subdivision Staging
39 Policy. Additionally, the County Executive recommends that the bill be revised to require
40 that the Planning Board draft of the Growth Policy be submitted to the County Executive at
41 the same time that it's submitted to the County Council. The proposed legislation is



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1 amend--to amend Section 33A-15 will have multiple beneficial impacts. Mr. Leggett
2 supports the proposed amendments and urges the County Council to adopt the
3 legislation. Thank you for the opportunity to testify on Bill 38-09.

4
5 COUNCIL PRESIDENT FLOREEN:

6 Thank you, Mr. Stith. Mr. Hanson.

7
8 ROYCE HANSON:

9 Thank you, Madam President. Royce Hanson, chairman of the Planning Board. The board
10 supports the change from a biennial to a quadrennial review of Growth Policy, to occur in
11 the second year of the Council term. This change will provide more stability for
12 stakeholders and allow adequate time for the effects of newly enacted policies to be
13 identified prior to considering additional policy changes. You got it half right. The Planning
14 Board believes, however, that it's important to retain the broad scope for Growth Policy
15 reflected in the current Purpose Clause. We think it's critically important for the County
16 Council to regularly review and refresh its guidance on policies concerning land use,
17 development, growth, and growth management and related environmental, economic, and
18 social issues. This broader perspective on sustainable growth will become increasingly
19 important in the coordination and compliance with state and federal Smart Growth
20 legislation. We expect that emerging legislation, like the Climate Change Bill and the next
21 Federal Service Transportation Bill, will direct federal funding toward communities that
22 demonstrate Smart Growth principles in both planning and implementing land use. The
23 Council should not pass on its opportunity to be a leader rather than a follower in such
24 policies. Narrowing the scope of growth policies to the mechanics of subdivision review is
25 not a recipe for leadership. Growth Policy provides 2 valuable functions. One is visionary.
26 It evaluates how the County has grown, forces that will affect future growth, and
27 establishes a framework for managing that growth within the context of long-term
28 sustainability. A second component connects the vision of sustainability to the staging of
29 development through the subdivision process. As the County moves toward
30 redevelopment and infill as the dominant pattern for new growth, in contrast with
31 development of large subdivisions on vacant land, and toward management of higher-
32 density development in strategic corridor locations, traditional approaches to the balance
33 of certain facilities, such as roads, with development will need to be changed. This should
34 be done in the context of a broad and rigorous policy discussion. Growth Policy provides
35 that context and an intermediate level of policy between the General Plan and the specific
36 Master Plans and the review of proposed projects. So renaming it, we think, would also be
37 a mistake. It focuses your attention on the limited review of public facility mechanics
38 divorced from a broader vision of sustainability and smart growth. We also think you
39 should retain the role of the Sanitary Commission in growth policy. Hasn't been that much
40 in recent years, but we're anticipating--and the Sanitary Commission itself anticipates--that
41 by 2025, half of all water distribution components will have exceeded their useful age. So



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1 these 2 components, we think, really need to be looked at together and that the broader
2 assessment of growth and development is essential for such goals as the development of
3 greener technology and infrastructure, more sustainable transportation corridors, and
4 healthier communities. Thank you.

5
6 COUNCIL PRESIDENT FLOREEN:

7 Thank you very much, Mr. Hanson. Miss Goldberg.

8
9 NATALIE GOLDBERG:

10 Madam President, members of the County Council, I'm Natalie Goldberg, and I'm pleased
11 to be here today to testify for the Montgomery County Civic Federation, expressing
12 concerns regarding this Growth Policy. We fully support the intended effort to define the
13 Growth Policy in accordance with the intended use as a mechanism to implement the
14 County's Adequate Public Facilities requirement and to provide a balance between density
15 and infrastructure. Our concerns lie with the review process. There appears to be general
16 consensus among the Councilmembers and the many civic leaders who participated in
17 the Growth Policy process that the current PAMR does not adequately measure mobility,
18 while there also seems to be hope that the County Executive's study will produce criteria
19 for evaluating mobility which will satisfy the stakeholders and the Council. At this point in
20 time, there is no knowledge of what that process will be, when that process will be
21 enacted, and how frequently that process will require review. It made good sense to tie
22 the Growth Policy amendment to the adoption of an agreed-upon PAMR substitute. On
23 November 9, 2009, the MCCF delegates unanimously approved the following resolution:
24 "Whereas, oversight of land-use activities is one of the primary responsibilities of the
25 County Council, and its review of the Growth Policy, which has already been changed
26 from an annual to biannual cycle, is proposed in Bill 38-09 to occur only once every 4
27 years; and whereas, the Council plans, in 2010, to consider an alternative to the existing
28 Policy Area Mobility Review--PAMR--at which time members could determine the
29 appropriate time table for analysis of and possible adjustments to the agreed-upon tests;
30 an whereas, the Council must also consider the appropriate cycle for receipt of the studies
31 now submitted to it as part of the Growth Policy, such as the highway mobility transit
32 usage pedestrian activity report and an implementation status report for each Master and
33 Sector Plan, with the development activity report for at least one Policy Area required to
34 be submitted as part of the biannual Growth Policy, by a provision in the Council
35 resolution on the Sector Plan amendment for that area; therefore, the Montgomery County
36 Civic Federation strongly urges the Council to postpone action on Bill 38-09 and consider
37 it in the context of the analysis of a PAMR alternative. Thank you for considering our
38 opinions.

39
40 COUNCIL PRESIDENT FLOREEN:



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1 Thank you, Miss Goldberg, and I may just say thank you for all your work on the White
2 Flint plan. Mr. Schiff.

3
4 STAN SCHIFF:

5 Madam President, members of the Council, thanks for the opportunity of being here. My
6 name is Stan Schiff. I am a longtime resident of Bethesda and a frequent-- fairly frequent
7 customer up here, as well. Bill 38-09 would perpetuate a failure on the part of this Council
8 and its predecessors to follow its own guidance on Growth Policy, which was supposed to
9 have allowed government to limit or encourage development. As the Planning Board
10 stated, quote, "the policy has had no visible impact on the total of growth. The policy has
11 directed where growth will occur." End quote. The magnitude and pace of growth are the
12 most critical policy issues, and yet they've been ignored. Instead, the whole emphasis has
13 been on land use and on 2 particular items, roads and schools-- both important, but the
14 larger forces which shape the road and school problems have not received the kind of
15 attention they merit. What kind of forces? Critical to the whole enterprise is an
16 understanding of what growth is all about. It's the product of an economic process in
17 which job creation is the driving force. Job growth brings with it more people and the
18 demand for more housing, schools, transportation, and other infrastructure and services.
19 Chief among the forces which have been ignored-- economics. For example, underlying
20 the Planning Board's recommended 2009-11 Growth Policy is a forecast of population
21 increase of 195,000 and a job increase of 166,000 in the next 25 years. The board also
22 underlines the fact that we have little buildable land. These 2 factors, together with their
23 emphasis on energy efficiency, lead them--the board--to conclude the only way to
24 accommodate the prospect of increasing jobs and people is to build higher and more
25 densely. But are these forecasted numbers-- population, jobs, buildable land --
26 sacrosanct? They can be altered by policy measures. That's an example of the kind of
27 issue Growth Policy should be dealing with. Another example-- the Planning Board
28 suggests that 70% of the forecast population increase and 81% of job growth be
29 channeled into the already heavily congested 355 corridor, which will also have to absorb
30 the additional traffic to be generated by the BRAC. On the other hand, the development
31 needs of the eastern part of the County are totally ignored. Does that make sense? One
32 further example which illustrates the macro dimensions of some of these problems. For
33 years, until the current recession, the County enjoyed a phenomenal rate of growth,
34 reflected in our extremely low rate of unemployment. The County's labor supply was
35 insufficient to fill the demand. County business firms had to recruit labor from outside the
36 County. And they came--as commuters, because many couldn't afford housing here. The
37 numbers are impressive. The unintended consequences--more stress on the
38 transportation system, more gas consumption, more air pollution. The Planning Board has
39 nothing to say on this problem, even though its own policy prescription puts great stress
40 on increasing energy efficiency and reducing air pollution. To my knowledge, these
41 problems, which are of major importance to the County, were not discussed either by

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1 Planning Board or Council, yet they are exactly the kinds of problems which need serious
2 attention. I have a few suggestions to remedy this situation. One, the approach to Growth
3 Policy should be holistic. To reflect that, the Council should assemble an interagency task
4 force, including representatives from the civic and business communities, to prepare a
5 new Growth Policy, and if it performs well, it can continue with that responsibility. The
6 Planning Board should, of course, be a member of the task force. It's imperative to
7 incorporate economics into the County's policymaking process. The Council should give
8 serious consideration to the establishment of an interagency group with responsibility for
9 economic research, analysis, and policy formulation. This group should be directed to
10 prepare a County-wide economic development plan, including both eastern and western
11 sections of the County. I have a few more suggestions.

12
13 COUNCIL PRESIDENT FLOREEN:

14 You do, indeed, yes.

15
16 STAN SCHIFF:

17 But they're in my remarks. Thank you.

18
19 COUNCIL PRESIDENT FLOREEN:

20 Thank you very much, Mr. Schiff. We can count on you for some interesting suggestions.
21 I'm sure we will have a fascinating conversation in committee and we'll take these up very
22 seriously.

23
24 STAN SCHIFF:

25 Thank you.

26
27 COUNCIL PRESIDENT FLOREEN:

28 Thank you all. The next item, public hearing on a resolution to adopt a Board of Health
29 regulation requiring a disclaimer for certain pregnancy resource centers, has been
30 postponed until 7:30 this evening.

31
32 COUNCILMEMBER KNAPP:

33 Madam Chair, if I might, I just wanted to indicate I'll be absent this evening. I have a
34 longstanding commitment that preceded the moving of this to the evening, and so I
35 apologize for that but will try to catch it on tape, if possible.

36
37 COUNCIL PRESIDENT FLOREEN:

38 I'm sure you will. Thank you.

39
40 COUNCILMEMBER BERLINER:



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1 Madam Chair, I also have a family obligation this evening, so I apologize. I will not be with
2 you.

3
4 COUNCILMEMBER ELRICH:

5 And I have a longstanding commitment that was scheduled when this was an afternoon
6 event, so that makes 3 of us.

7
8 COUNCIL PRESIDENT FLOREEN:

9 OK. Well, we will all miss you. Next item, which is scheduled for public hearing and action,
10 is a resolution to amend the Fiscal year '10 transportation fees, charges, and fares. Good
11 afternoon, ladies and gentlemen. This is a public hearing on a resolution to amend the
12 Fiscal Year '10 transportation fees, charges, and fares, to increase the price of a monthly
13 Ride On pass. And for this we have one speaker. This is Nathan Bahn. Have a seat there,
14 and, Mr. Bahn, the floor is yours. Just press the button in front. There you go.

15
16 NATHAN BAHN:

17 Thank you. Hello. It has been said that much can be read into a society's values by the
18 way it treats those at the bottom of its social order. While it is true that those who depend
19 upon mass transit are not necessarily at the very bottom of society's social strata, they
20 are, nonetheless, pretty close. In this society, a car is pretty damn close to a necessity,
21 and those who don't have one are at an economic disadvantage because mass transit in
22 this County and region is nowhere near comprehensive or convenient enough. The
23 working poor are constantly being nicked and dined, and this proposed monthly pass
24 increase is more of the same. Moreover, this fee increase is targeting those who can least
25 afford it. Therefore, I ask this of you. Would it not be more equitable to have this pain
26 shouldered proportionately by those who can more--most easily bear the burden? I
27 respectfully submit that even a property tax increase would be more fair than this fee
28 increase. Not to put too fine a point on this, but I rather suspect that more money will be
29 raised per capita from the Germantown and Silver Spring areas than from the Potomac
30 and Chevy Chase areas by this fee increase. People who buy the monthly pass generally
31 do so because they have to use the bus system, not because they want to use the bus
32 system. Please find a more equitable way to raise the funds necessary to balance the
33 budget. Balancing the budget in part on the collective back--backs of the working poor is
34 reprehensible. Thank you for your time.

35
36 COUNCIL PRESIDENT FLOREEN:

37 Thank you, Mr. Bahn. Mr. Orlin, we need to take action on this, right?

38
39 GLENN ORLIN:

40 Correct.

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1 COUNCIL PRESIDENT FLOREEN:

2 You want to remind us what the proposal--well, it's a recommendation from the T&E
3 Committee. This was a recommendation by the County Executive to--

5 GLENN ORLIN:

6 It's part of the savings plan.

8 COUNCIL PRESIDENT FLOREEN:

9 To increase the cost of the monthly Ride On pass by \$5, and that's part of the County
10 Executive's savings plan. OK? So the motion--

12 COUNCILMEMBER BERLINER:

13 Does my memory serve correctly that we actually reduced the increase? I thought Mr.
14 Andrews, among others--am I remembering this correctly--that there was concern with
15 respect to the size of this increase, and you had put it in half? Is that right, or am I wrong
16 with respect to that?

18 COUNCILMEMBER ANDREWS:

19 I think it's fair to say that there were higher options considered that didn't come over here.

21 COUNCILMEMBER BERLINER:

22 That's correct. Yes. I think we did have meetings with the--thank you. That's my memory,
23 as well. Thank you.

25 COUNCIL PRESIDENT FLOREEN:

26 Mr. Knapp.

28 COUNCILMEMBER KNAPP:

29 Thank you, Madam President. I just want to make sure we understand the full implications
30 of this. We actually voted to have some fare increases earlier in the year that had some
31 disproportionate increases across the County, and kind of went through a variety --a
32 variety of other approvals and kind of escaped our attention, so I just wanted to make
33 sure. This is a \$5.00 across-the-board monthly fare pass increase for all Ride On riders.

35 GLENN ORLIN:

36 That's correct. And anybody who has a Ride On pass, a monthly pass, it would cost \$30
37 instead of 25.

39 COUNCILMEMBER KNAPP:

40 And there's no other impact in any other way to anyone else?

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1 GLENN ORLIN:
2 That's correct.
3
4 COUNCILMEMBER KNAPP:
5 OK. Thank you.
6
7 COUNCIL PRESIDENT FLOREEN:
8 OK. Thank you very much, Mr. Knapp and Mr. Orlin. You have a committee
9 recommendation to approve the increase. Let's see here. All in favor of the motion? OK.
10 That is Councilmember Navarro, Councilmember Elrich, Councilmember Trachtenberg,
11 Councilmember Berliner, Councilmember Leventhal, Councilmember Andrews,
12 Councilmember Knapp, and Councilmember Floreen. Opposed? Councilmember Ervin.
13 Motion passes, 8-1. All right. We shall see some of you back here at 7:30 tonight for the
14 public hearing. Thanks, everybody. Oh, yes, important point--the hearing will be upstairs
15 on the seventh floor.
16